

DAILY REPORT

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PRC ABSTAINS IN UN VOTE ON FORCES IN LEBANON

OW200154 Beijing XINHUA in English 0147 GMT 20 Jun 81

[Text] United Nations, 19 Jun (XINHUA)--The UN Security Council in a resolution adopted this afternoon decided to renew the mandate of the United Nations interim force in Lebanon (UNIFIL) for another six months, that is, until 19 December, 1981. The resolution was approved by a vote of 12 in favor with two abstentions. China did not take part in the voting.

ASIAN POPULATION GROUP OPENS CONFERENCE IN BEIJING

Plans for October Session

OW191858 Beijing XINHUA in English 1837 GMT 19 Jun 81

[Text] Beijing, 19 Jun (XINHUA)--The second Steering Committee meeting for the Asian Conference of Parliamentarians on Population and Development opened at the Great Hall of the People today. The main items on the agenda were arrangements concerning the conference in October. Representatives from China, India, Japan, Malaysia and Sri Lanka as well as representatives of the United Nations Fund for Population Activities [UNFPA] spoke at the meeting. They detailed preparations made since the first Steering Committee meeting in Tokyo and arrangements made for Beijing's October conference.

Xu Dixin, head of the Chinese delegation and member of the Standing Committee of the National People's Congress, said all the Asian parliaments, governments and people are very much concerned about population and development. The parliamentarians have the responsibility to encourage efforts to control population. "They should also devote efforts to international coordination and cooperation in this regard. Hence, the Beijing conference will be very important to all Asian countries," he said. "As the host country for the Beijing conference, China is ready to work with all the parliamentarians and contribute to the success of the conference."

Jyoti Singh from the UNFPA also spoke. He congratulated the meeting on behalf of Rafael M. Salas, executive director of the UNFPA and said "The control of population growth in Asia has great influence on other countries of the world. Therefore, the Beijing conference will be of major significance." He also conveyed the UNFPA's support for the conference.

Today's meeting was presided over by Ranjit Attapattu, convener of the Steering Committee meeting and representative from Sri Lanka. Among those representatives present were Wang Youping, deputy head of the Chinese delegation and a deputy to the National People's Congress, Sat Paul Mittal, representative from India and Chairman of the Indian Parliamentarians Association on Population and Development, Japanese representatives Takashi Sato, member of Japan's House of Representatives and executive secretary of the Japanese Parliament Federation on Population, Sisaku Sumi, member of Japan's House of Representatives and Chairman of the Committee on International Cooperation of the JPF, Takako Dol, also member of Japan's House of Representatives, Madam Rahman Othman, representative and senator from Malaysia, and Akio Matsumura, representative from the UNFPA. The meeting extended into the afternoon.

Liao Chengzhi's Luncheon

OWI91714 Beijing XINHUA in English 1645 GMT 19 Jun 81

[Text] Beijing, 19 June (XINHUA)--Liao Chengzhi, vice-chairman of the National People's Congress Standing Committee and chairman of the preparatory committee of China for the second Steering Committee meeting for the Asian Conference of Parliamentarians on Population and Development, today feted the delegates to the meeting. Toasting at the luncheon, Liao Chengzhi said China was honored the conference is to be held in Beijing and Chinese National People's Congress and government attached great importance to it. China, he said, now understands population growth is related to economic development and improvement of people's living standards. Under the leadership of the National People's Congress and the State Council, China has made progress in family planning and population control. As the most populous country in the world, he said, China, like all other developing countries in Asia, has much work to do. To study and solve the population problem, it is necessary for all Asian countries to cooperate extensively. "I am confident the coming conference in Beijing will strengthen mutual understanding and contacts among the Asian countries and promote cooperation among the parliamentarians in the sphere of population.

Ranjit Attapattu, from Sri Lanka, convener of the preparatory committee, said the upcoming Beijing conference is of historical significance. "It is the first time for the Asian countries to sit together and discuss a specific subject, regardless of the ideologies of the countries involved," he said. Attapattu said the conference will enable the Asian countries to better unite. In this sense, he said, "we are obligated to make the conference a success."

Zhang Wenjin, vice-minister of foreign affairs and vice-chairman of the preparatory committee of China, Luo Qingchang and Gao Dengbang, both vice-chairmen of the preparatory committee and deputy secretary general of the Standing Committee of the National People's Congress, were present on the occasion. Also present were Indian Ambassador to China K.S. Bajpai, Malaysian Ambassador to China Albert S. Talalla, Japanese Ambassador to China Kenzo Yoshida and Sri Lanka Ambassador to China C. Mahendran.

Conclusion of Meeting

OW201322 Beijing XINHUA in English 1234 GMT 20 Jun 81

[Text] Beijing, 20 June (XINHUA)--The second meeting of the Steering Committee for the Asian Conference of Parliamentarians on Population and Development closed in Beijing today. The meeting decided that the conference would be held in the Great Hall of the People in Beijing between October 27 and 30 this year. The third meeting of the Steering Committee would be held shortly before the conference. The meeting decided to invite parliamentarians from about 30 Asian countries to attend the conference and drew up an agenda and working program and a list of guests, specialists and international institutions that will be invited take part.

He Liang, deputy convener of the Steering Committee meeting and one of the Chinese representatives presided over today's meeting. The head of the Chinese delegation, Xu Dixin, gave a reception this afternoon for the representations. [as received]

EXTENSION OF PRC MOST-FAVORED-NATION STATUS BACKED

OW230827 Beijing XINHUA in English 0811 GMT 23 Jun 81

[Text] Washington, 22 Jun (XINHUA)--The U.S. Government today asked Congress to extend most-favored-nation [MFN] treatment for China. MFN status was extended to China in February 1980. As a procedure, the U.S. President is requested to recommend extension of the waiver every year.

Deputy Assistant Secretary for East Asian and Pacific Affairs of the State Department Michael Armacost, testifying in support of the extension before the House subcommittee, said, "The administration strongly supports the continuation of MFN status for China as critical to our foreign policy interests." "A stable and expanding trade and investment relationship between the United States and China contributes to strong cooperative ties across the board. Such ties lie at the heart of our involvement in China's economic modernization--an essential condition for peace and stability in Asia," he said. "Mutual benefit and most-favored-nation treatment in all aspects of our trading relations are vital to continued expansion of all our bilateral ties," he said. Another official, Robert Cornell, deputy assistant secretary for trade and investment policy of the Department of Treasury told the subcommittee that "On the whole, China's financial situation is considered fairly healthy. The current economic retrenchment in China illustrates its leaders' intention to achieve modernization in a prudent and manageable way." He cited facts to show that China can "continue to maintain a strong external financial position."

He spoke in favor of the extension of MFN treatment to China, which he said, is "essential for the continued growth of this bilateral economic and political relationship, from which both sides benefit."

Since diplomatic relations were normalized in 1979, two-way trade between the two countries has expanded at a rapid rate. Bilateral trade doubled between 1978 and 1979 and more than doubled again in 1980 to reach \$4.8 billion. But the United States has a trade surplus of \$2.7 billion which was the fourth largest surplus in any of U.S. trading relationships around the world. First quarter trade figures for 1981 show that two-way trade between the United States and China is up almost 60 percent over the same period last year.

Deputy Assistant Secretary of Commerce for East-West Trade Eugene K. Lawson anticipated that two-way trade would reach at least \$10 billion in 1984. He attributed the growth to the MFN status and the entry into force of the U.S.-China trade agreement. The extension of the MFN treatment will "support the expansion of our economic cooperation on a firm and enduring basis," he said.

Senator Henry Jackson in a letter sent to the House subcommittee expressed his support for the extension as requested by President Reagan.

RENMIN RIBAO ON REAGAN'S LATIN AMERICA POLICY

HK191432 Beijing RENMIN RIBAO in Chinese 19 Jun 81 p 7

[Article by Guo Weicheng [6753 0251 2052]: "What Does Reagan's Latin American Policy Show?"]

[Text] When commenting recently on Reagan's policy moves, American newspapers and magazines remarked that the Reagan administration "is still searching for its foreign policy." On the other hand, observers have held that Reagan has nevertheless adopted a tough posture of confrontation toward the Soviet Union. This seemingly contradictory phenomenon is very conspicuously manifested in the policy of the Reagan administration toward Latin America. One Latin American newspaper commented: "Despite the fact that the new U.S. Administration has not fully explained its policy toward Latin America and has in fact not yet appointed a responsible person to take charge of Latin American affairs in the State Department, the basic contents of its line of action in this hemisphere are already very clear."

Reagan's "line of action" actually includes changing Carter's "human rights policy." During the Carter administration, Cuba was at one time very busy interfering in the African Continent, and its infiltration in Latin America was not yet so serious as to arouse the concern of the United States. The upheavals in some Latin American countries were mainly caused by the protracted bullying and suppression by the military dictatorships or oligarchic forces there. With his "human rights" banner, Carter exerted pressure on some dictatorial governments to restore democracy in order to stabilize the political situation so as not to give the Soviet Union and Cuba an opportunity to intervene and infiltrate. Carter held that this action was also in line with the United States' long-term interests.

Since the beginning of last year, however, Cuba has partially reduced its intervention in Africa while at the same time stepping up its infiltration in some Central American countries and extending its tentacles into South America. This was in fact the reason why Colombia and other countries severed relations and became estranged from Cuba. One South American newspaper noted: "In the eyes of President Reagan, some recent incidents have demonstrated the obvious Soviet threat to this hemisphere." Secretary of State Haig said on one occasion that the events occurring in Central America show that the Soviet Union and Cuba are following "a namelist of priority targets" or "namelist of targets of attack" to achieve their objective of "ultimately taking over Central America." Senate Majority Leader Baker commented on this, saying: "Haig's statement should have been made a long time ago. We have buried our heads in the sand for too long." The United States "should not be afraid any more to say to the Soviet Union and its proxy, Castro's Cuba, that they can no longer do whatever they like."

Because of the above factors, the Reagan administration has readjusted its relations with the Latin American countries and has reconciled U.S. relations with military regimes which had become strained under Carter's "human rights policy." Argentina's Roberto Eduardo Viola, head of the ruling military junta, was invited to visit the United States before his inauguration; Chilean and Brazilian military delegations have visited the United States; and the United States consecutively lifted the ban to sell arms to Chile and Argentina and the ban to give development loans to Chile. Moreover, the Chilean Navy was invited to participate in a joint naval exercise. A continuous stream of important U.S. delegates have flocked to visit South America. According to a report by Brazil's O ESTADO DE SAO PAULO: "Recently, the Reagan administration decided to step up the training of soldiers in this continent. Apart from the additional funds of \$4.6 million, the Reagan administration has requested Congress to appropriate \$5.6 million as special funds for the establishment of American schools in the former Panama Canal Zone. The program will triple the number of Latin American officers trained in the military schools located on Panamanian territory. This is another important move made by the Reagan administration to support and exert influence on the traditionally pro-U.S. Latin American military juntas."

In short, the policies adopted by the Reagan administration toward Latin America will be mainly manifested in the following three ways: First, the strengthening of relations with Mexico and Canada in the hope of establishing a community of the United States, Mexico and Canada by a "North American agreement." Such an agreement will effectively safeguard the security of the northern wing. Mexico is the natural buffer between the United States and crisis-ridden Central America. The important role it plays in ensuring the security of the United States is self-evident. Second, the broken fences with the military regimes in the South American Continent will be mended so as to ensure the security of the southern wing. An editorial in the Boston GLOBE said: "The infiltration of the Soviet Union in Latin America is part of a new global plan of the superpower and it is carried out in various forms. With its facilities in Cuba, the Soviet Navy is equipped to disturb shipping in the North and South Atlantic Ocean. In times of crisis, the navigation line to transport fighting men to Europe and to transport petroleum to the United States will be severed. To say the least, the Soviet Navy has advanced into this (the Western) Hemisphere and has strengthened the important role Moscow plays in the other regions of the world." In his annual military report, Chairman of the U.S. Joint Chiefs of Staff David Jones unhesitatingly said: "An internal pressure for change is gradually being formed. However, a change which is out of control is a destabilizing factor because foreign powers will take advantage of it." "In South America, U.S. influence has disappeared and U.S. military aid has diminished. This has weakened the South American countries' desire and capability to safeguard U.S. security and interests." Jones specifically talked about Brazil: "Due to its position in the Atlantic Ocean, Brazil is an extremely important country." "Generally speaking, a friendly Latin America is of vital importance to a collective security agreement in this hemisphere." These considerations at least demonstrate that the Reagan administration has adopted policies different from those of its predecessor. They also demonstrate the background which gives rise to the desire to strengthen military cooperation.

Third, the Reagan administration has chosen Central America to force "a showdown" with the Soviet Union. Unlucky El Salvador has become a "key card in the world political gamble" between the two political superpowers. To the United States, it is of great significance to maintain security in Central America and the Caribbean Sea and to curb the expansion of the Soviet and Cuban forces into this region. To the north of this region is Mexico which produces petroleum. To the south of it is the Panama Canal, which links the Pacific and the Atlantic Oceans. These are of vital importance to the United States. They are important gateways of America's security. Thus, the Reagan administration has greatly increased its military aid and has sent military advisers to El Salvador. The United States has even concentrated its strong naval forces to carry out a military maneuver of an unprecedented scale in the Caribbean Sea. It has even threatened to blockade Cuba in the Caribbean Sea.

Many people were puzzled by Reagan when he decided to "have a showdown" in El Salvador. In fact, as some American publications have pointed out in their commentaries, the Reagan administration has attempted to use El Salvador as a "testing ground" for its international policies. Here, it has drawn a "line of defense to guard against the Soviets and Cubans" in order to demonstrate America's "courage and determination" to safeguard its interests in the Western Hemisphere. An observer of the Latin American problems vividly described this situation as: The Soviet union has kicked the ball into America's "24 yard penalty area." Reagan caught the ball and forced his opponent to "a showdown" in front of the goal.

U.S.-AIDED MANAGEMENT COURSE BEGINS IN DALIAN

OW151253 Beijing XINHUA in English 1239 GMT 15 Jun 81

[Text] Dalian, 15 Jun (XINHUA)--The Dalian training center for science and technology management, a Sino-U.S. joint project to help China train senior economic planners, administrators and managers and establish a modern industrial management teaching system, started its second course today.

The center was started in the port city of Dalian, northeast China, under a protocol between China's State Scientific and Technological Commission and the U.S. Department of Commerce. The first course, which began on August 18, 1980, lasted 18 weeks.

The 182 trainees attending the current course include ministry divisional heads, managers of major industrial enterprises or senior faculty members from Chinese universities and colleges. The trainees will be acquainted with modern industrial management techniques through lectures by American experts headed by Richard M.H. Lee, a U.S. Department of Commerce official.

Chinese instructors have finished basic lectures preparing the trainees for the main curriculum consisting of 13 subjects, including management of manpower resources, managerial economics, production management and control and market theory.

Xue Renzong, vice-minister of the State Economic Commission, attended an opening ceremony for the second course.

BRIEFS

U.S. DELEGATION IN ZHEJIANG--At the invitation of Zhejiang provincial Governor Li Fengping, a 15-member New Jersey state friendship delegation led by (Yang Liyu), special adviser to the New Jersey state governor and director of the Department of China Studies of Seton Hall University, arrived in Hangzhou, Zhejiang, on 8 June. The delegation was greeted at the airport by Wang Lifu, director of the foreign affairs office of the provincial import-export commission; and (Liu Qi), director of the provincial light industry department. On the same evening, Governor Li Fengping met with Mr (Yang Liyu) and members of the delegation and expressed his thanks to New Jersey governor for the hospitality accorded the Zhejiang provincial friendship delegation. After the meeting, Li Fengping feted the delegation. The delegation will discuss with departments concerned matters related to economic, trade, cultural, education, scientific and technological exchanges and cooperation. [Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 9 Jun 81 OW]

U.S. WOMEN'S DELEGATION--Beijing, 16 Jun (XINHUA)--Huang Ganying, vice-president of the All-China Women's Federation, met with a visiting delegation from the American Women for International Understanding led by Mrs Dorothy Lyons. After the meeting, Huang Ganying gave a dinner in their honor. The delegation arrived June 14 at the invitation of the All-China Women's Federation. [Text] [Beijing XINHUA in English 1559 GMT 16 Jun 81 OW]

ANHUI-MARYLAND SISTERHOOD ANNIVERSARY--The first anniversary of the establishment of friendship ties between Anhui Province and Maryland, United States, falls on 10 June. Anhui provincial Governor Zhou Zijian and Maryland Governor Harry Hughes have cabled their mutual greetings on this occasion. In his message Zhou Zijian noted the beneficial exchanges and cooperation in agriculture, education, science and technology and urban construction, as well as the improved understanding and friendship between the people of Anhui and Maryland in the past year. He called for promoting cooperation in other fields in accordance with the basic principles of the communique on the establishment of Sino-U.S. diplomatic relations. In his return message, Governor Hughes recalled his visit to Anhui last year as well as the hospitality of Anhui's people. He promised to carry out more exchanges to strengthen the existing close ties between Anhui and Maryland. [Hefei Anhui Provincial Service in Mandarin 1100 GMT 13 Jun 81 OW]

XINHUA COMMENTARY ON USSR'S 'DUAL WEDGE OFFENSIVE'

OW221254 Beijing XINHUA in English 1228 GMT 22 Jun 81

["Commentary: Moscow's Dual Wedge Offensive--By XINHUA Correspondent Chen Xi"--XINHUA headline]

[Text] Beijing, 22 Jun (XINHUA)--Moscow is once again launching a diplomatic offensive. This new offensive hopes to cause friction between the United States and its allies, while at the same time causing friction among the Western allies.

An apparent long-term objective of this offensive is the disintegration of the Western alliance. A short-term objectives appear to be aimed at frustrating the European nuclear defence program and the U.S.-Japanese alliance.

Moscow is nervous about the 572 U.S. cruise and Pershing-2 missiles that the Western alliance hopes to install by 1983. Moscow apparently fears that these missiles would offset its military superiority in Western Europe gained with the installation of SS-20 intermediate ballistic missiles.

Moscow does not deny that the demise of the European nuclear defence program is a pressing task. Therefore, it is leaving no stone unturned to alienate the United States from its Western allies.

In recent years, Moscow, with its increasing military superiority, has been taking advantage of the tendency of Western European countries to decrease their dependency on the United States while making compromises with the Soviet Union. To encourage the tendency of retreat and conciliation, Moscow threatens Western countries with the danger of nuclear war while enticing them with the "materialization of detente."

But after the recent NATO foreign ministers' conference, Moscow has come to realize that trying to drive a wedge between the United States, Western Europe and Japan apparently is insufficient. Now it also pins its hopes on the opposition parties in these countries. As part of its efforts, Moscow has recently sent letters to the socialist parties and the social democratic parties of the Western European countries and Japan. Placed on the top of Moscow's target for attack are Helmut Schmidt and Zenko Suzuki.

The approach of forcing a split in West Germany and Japan might have gone well beyond the usual practice of exerting political influence. Since Schmidt's Washington visit, Moscow has charged him with "following the United States on the road leading to intensified international situation." Moscow has even threatened that if West Germany deploys U.S. mid-range missiles, it will be subjected to destruction if ever a nuclear conflict occurs. Moscow also has tried its best to woo Social Democratic Party Chairman Willy Brandt by inviting him to visit the Soviet Union this year.

In similar tactics, Moscow has denounced Tokyo for "following Washington's policy," alleging that "The Suzuki Cabinet has provokingly expressed its anti-Soviet and revanchist ideas." At the same time, it has sent letters to Japan's socialist, social democratic and communist parties, asking them to form an "anti-U.S. front."

Such unusual conduct by the Soviet Union has puzzled the three Japanese opposition parties. But the ruling Liberal Democratic Party pointed out bluntly "The conduct of the Soviet Communist Party is aimed at splitting Japan" and is interfering in Japan's internal affairs.

The Soviet Union's "dual wedge offensive" has obviously aroused alert in Western capitals. After U.S. Secretary of State Alexander Haig's recent visit to Western Europe, the British prime minister, the West German chancellor, the French foreign minister and the Japanese prime minister visited Washington in succession. And following the NATO foreign ministers' conference, Japanese Prime Minister Zenko Suzuki traveled to the six West European countries. These visits have strengthened the unity among the United States, Japan and Western Europe and consolidated the strategic position of the Western European countries against the Soviet Union.

RENMIN RIBAO SPECIAL COMMENTARY ON SOVIET ECONOMY

HK220928 Beijing RENMIN RIBAO in Chinese 11 Jun 81 p 7

[Special commentary by Lu Nanquan [7120 0589 3123]: "Principal Problems of the Soviet Economy"--capitalized passages published in boldface]

[Text] The Soviet Union has for a long time allocated huge funds to capital construction. During the 10th Five-Year Plan (1976-1980), the total investment in capital construction was 634.1 billion rubles, which accounts for more than 1/3 of the national income or 1/2 of the state's total budgetary expenditure for this period. In the Soviet Union, the speed of increase in the investment in capital construction has always been faster than the increase of the national income. For instance, from 1951 to 1979, the national income increased by an average of 7.6 percent a year, while capital construction by an average of 8.4 percent. In 1950, the total investment in capital construction by the Soviet Union only accounted for 30 percent of that of the United States. In 1971 it had already caught up with the United States and in 1974, it even exceeded the latter. The huge investment in capital construction has played an important role in the development of the national economy in the Soviet Union. For instance, they have built up a sound industrial base with enormous productive capability, established an array of new industrial departments and strengthened their force to seek hegemony over the world.

However, there is also a series of problems in the capital construction of the Soviet Union which is beginning to seriously affect economic efficiency.

OVEREXTENSION OF THE CAPITAL CONSTRUCTION FRONT AND DISPERSION OF INVESTMENT

For a long time, the Soviet Union has allowed its economy to develop at comparatively high speed mainly by increasing investment and establishing new projects. As a result of one-sidedly seeking high speed, huge investment has been made beyond practical conditions. At the 24th National Congress of the CPSU held 10 years ago, Brezhnev said that one of the problems in capital construction was "when making plans, not enough attention has been paid to the practical possibilities. The scale of capital construction and the number of projects are beyond our capacity and as a result, construction funds are dispersed, the number of unfinished projects has increased and many of the resources are lying idle." Ten years have now passed, but these problems remain unsolved.

The present production capacity and power of the construction units in the Soviet Union do not conform to the tasks of capital construction. At present, there are 250,000 to 260,000 production projects under construction every year. Together with residential and other nonproduction projects, the number of new projects make up 30 to 40 percent of the total projects under construction. As a result, the capital construction power has been dispersed. Since 32,000 capital construction projects are being undertaken by the units in charge of construction under the Soviet Ministry of Construction, there are an average of less than 12 workers for each project, if one considers the total number of construction workers.

As to capital construction funds, since finance has always been tight and in addition to the heavy tasks of large-scale capital construction, the building cycle has usually gone beyond the planned period, the costs of projects have been rising daily. This has often caused construction to be held up because of shortages of funds. According to Kirichenko, director of the Research Institute of Economic Science under the State Planning Committee, the funds needed by the planned construction projects are 80 to 100 percent more than the funds available.

Construction materials too, are seriously in short supply. In the system under the Soviet Ministry of Construction, only 10 percent of the building units receive continuous material supplies. One-third of the unfulfilled contracts of the building units are the result of shortages of material supplies and parts. The speed in supplying building materials is not equal to that of the investment in capital construction either.

Faced with the above-mentioned facts, the Soviet minister of construction admits that in their plan for capital construction, there have been "more and more new projects that are not guaranteed a supply of manpower, material and financial resources." He holds that it is "disastrous" to "make an unrealistic plan" in capital construction, to go in for grandiose projects and high speed, and to disperse power and funds to numerous construction sites by continuously setting up new points.

SERIOUS RESULT ON COMPETITION FOR INVESTMENT AND PROJECTS

The Soviet authorities have time and again criticized selfishness and departmentalism in capital construction. But because funds for capital construction have always held priority when budgetary funds are allocated gratis, and, as a result, this system does not directly affect the economic interests of either the units assigning the tasks or those in charge of the building because neither bears any material responsibility, as a consequence, many departments and enterprises in various districts compete with each other for projects. In the Soviet Union, it often happens that in order to compete for investment and projects, construction starts before funds, equipment and materials are guaranteed or supplied to bring about a fait accompli. It has been revealed in some Soviet newspapers that at present, 40 percent of the projects were started without construction designs, and in 1979, 1/3 of the labor hours of the construction units were spent in the construction of unplanned projects.

In order to compete for investment and projects, the construction units also intentionally make designers force down the costs when designing capital construction projects, so that they can be easily approved by the planning and financial departments. When a project is placed on the plan, they demand that the state make a supplementary appropriation. According to relevant materials of the Soviet Union, the actual costs of many projects are 50 to 100 percent higher than the budgetary costs. So the state finance has been made even tighter than before.

LOW LEVEL AND MANY CHANGES IN CAPITAL CONSTRUCTION PLAN

The present capital construction plan of the Soviet Union is in a state of "being checked" regularly, which also means that it is changed regularly. The Soviet Union has admitted that the system of checking the approved capital construction plan before 15 February every year is in essence to revise it. According to statistical data, the checking should result in a change in more than 75 to 90 percent of the projects in the original plan. In his article Bunich, a corresponding member [of the Economics Department of the Soviet Academy of Sciences] said: "There is a great difference between making and carrying out a plan in the construction departments. "It seems that all projects need to be rediscussed and revised every day, and some of them have to be held up for a period of time before continuing the construction." It has been a regulation that all units in charge of building should work out a 2-year plan, but actually, more than 2/3 of the construction units have not even a plan for the year.

What is more serious is that in the Soviet Union, decisions on allocating funds and materials to certain districts are not made according to needs but according to the construction power of the districts. As a result, the productive capacities of the existing enterprises have not been fully utilized and the coefficient of working in shifts is low while on the other hand, some new enterprises of the same line have been built, resulting in serious waste.

Due to the haphazard plan in capital construction, many projects are unable to be put into production after they are completed because of a lack of materials. According to an investigation of the Soviet Union, half of the newly established enterprises cannot be turned into productive power for lack of raw materials, electric power, water and other substantial resources.

DIFFICULTIES IN CARRYING OUT THE POLICY OF INTENSIVE INVESTMENT

Since the 1960's, the Soviet Union has emphasized the change of investment policy, that is, the stress of investment has been put on improving technology and reconstructing the existing enterprises, which have shorter capital construction cycles and the effects can be seen quicker, so as to keep in line with the demand of the intensive management of the whole national economy. However, the Soviet Union has not yet cast off the old style of extensive management. The parts of investment in capital construction which were actually used to improve technology and to reconstruct the existing enterprises made up 20.2 percent of the total investment during the 9th Five-Year Plan, and was raised to only 23.6 percent during the 10th Five-Year Plan.

It is because of the present planning system that the enterprises are not willing to improve technology and to be reconstructed. In essence, the present planning system encourages the enterprises to fulfill the tasks of the year with greatest efforts, for the work of the enterprises is judged and awards or punishments are given according to the tasks they have fulfilled. Therefore, the enterprises are afraid that some workshops may have to stop production when they are reequipped or reconstructed so that their targets of the year cannot be reached and their income and awards will thus be reduced; they are afraid that the new technology cannot be mastered quickly and put into production immediately; they are also afraid that new and higher targets may be set after being reequipped, and so on. In short, it is not only a problem for enterprises to improve technology and to reconstruct the projects but it also involves the risk of not fulfilling the task of the year which affects their practical interests. Under such conditions, they would rather establish new projects or expand projects. Besides, in the Soviet Union, since there is no clear line of distinction between expansion and reconstruction, some enterprises have been expanding projects or even building new projects under the name of reconstruction. The above-mentioned problems has brought about an increase in unfinished projects and a continuous reduction of the efficiency of investment.

According to statistical materials issued by the Soviet Union, the unfinished projects in 1965 amounted 29.6 billion rubles, accounting for 69 percent of the total investment in capital construction for that year; in 1975, it was 76.7 billion rubles, accounting for 75 percent; and in 1980, it increased to 118.8 billion rubles, accounting for 89 percent. What merits special attention is that the number of unfinished productive projects and the resulting amount is now even greater. For instance, in 1978, it was 27 percent more than the investment of capital construction for that year, and in some departments, such as the Ministry of Chemistry and Petroleum Industry, it was even 73 percent more. Kachalov [0595 1874 1133], deputy chairman of the State Committee for Construction Affairs, believes that the impermissible amount due to unfinished projects "is out of control."

The problems in capital construction in the Soviet Union are mainly reflected in the decline of the efficiency of investment, which is concentratedly indicated by the target of the rate of increase of the national income per ruble invested.

This target dropped by 50 percent in the 9th Five-Year Plan compared with the 8th Five-Year Plan, or dropped by 37 percent in 1980 compared with 1976. Besides, the retrieval period for industrial investment in 1977 was almost 400 percent longer than that of 1960. The decline of efficiency in investment means more investment for the same amount of the national income. According to Khachaturov, a Soviet academician, the investment necessary for adding 1 ruble in the national income was 1.81 ruble during 1951, but increased to 6 rubles during 1976 to 1977, that is, it increased by 230 percent. Now the investment for the same amount of the national income in the Soviet Union is 50 percent more than that of the United States.

Huge investment but low efficiency, is the main cause for the continuously dropping rate of increase of the Soviet economy and also the principal, current problem of the Soviet economy. How will the Soviet economy be developed in the 1980's? This, to a great extent, depends on how this problem is solved.

INTENSIFIED SOVIET TROOP TRAINING REPORTED

OW151255 Beijing XINHUA in English 1244 GMT 15 Jun 81

[Text] Moscow, 15 Jun (XINHUA)--The Soviet Army paper, THE RED STAR, has reported in the last few days intensified military training of Soviet troops along the Soviet-Polish border and in some Eastern European countries.

From June 9 to 13, the paper carried frontpage reports coupled with photos about the "military training" and the intensification of "combat readiness" of the Soviet troops in the three Soviet military districts close to Poland and of those Soviet units stationed in Poland, the German Democratic Republic, Czechoslovakia and Hungary.

On June 11 the paper also carried a long dispatch by its correspondent on his visit to a tank corps in Silesia of Poland. The dispatch stressed that the situation in Poland was complicated and tense. It quoted a Polish Army officer as saying that the present situation in Poland dictated the need for high military discipline, combat readiness, internationalism and friendship with the Soviet Army.

From May 28 to June 13, THE RED STAR devoted prominent space to 16 news items concerning Soviet troops' "military training" in the four Eastern European countries together with seven large photos. It also carried 11 news items about the "military training" by Soviet troops in the Maritime Baltic Military District, the Belorussian Military District and the Carpathian Military District of the Soviet Union, which are close to the border of Poland.

It is noted that these RED STAR reports appeared at a time when the situation in Poland was rather tense and the Central Committee of the CPSU had just sent a letter to the Central Committee of the Polish United Workers' Party.

XINHUA NOTES NEW USSR SOUTHERN PROVINCIAL COMMAND

OW201245 Beijing XINHUA in English 1231 GMT 20 Jun 81

[Text] London, 19 June (XINHUA)--"The Soviet Union has established a new southern provincial command of 44 divisions--nine of which are in Afghanistan--and an air force," the DAILY TELEGRAPH reported today. This information was contained in a report on "European Security and events in the Gulf area" submitted to the Western European Union's assembly by Sir Frederic Bennett, conservative MP. The paper said, "The object of this new formation is to plan prolonged occupation and build up a base large enough from which, when the time is ripe, to exploit the situation forward through Baluchestan to fulfill the historic Russian aim of access to the Indian Ocean."

BEIJING ON GROWING JAPAN-ASEAN COOPERATION

OW191705 Beijing Domestic Service in Mandarin 1100 GMT 19 Jun 81

["International Current Events" talk: "On New Developments Between Japan and the ASEAN Countries"]

[Excerpts] For a long time Japan has maintained fairly close economic ties with the ASEAN countries. Of late, cooperative relations between them have been further strengthened. It is noteworthy that while expanding their economic and cultural cooperation, Japan and the ASEAN countries have made obvious efforts to step up political cooperation. This can be seen as a new move by the Japanese Government to make the country not only an economic power but to also play the role of a political power in the world arena.

Vietnam's war of aggression against Kampuchea, which has been supported by the Soviet Union, and the Soviet-Vietnamese infiltration and expansion in Southeast Asia have seriously threatened the peace and security of the Asia-Pacific region. Recently Japan's political personages pointed out in clear-cut terms that Vietnam already constitutes a potential threat to Japan in the South China Sea.

Against this background, Japan has raised its foreign policy toward Southeast Asia to an even more important position. Early this year, Prime Minister Suzuki paid a state visit to the five ASEAN countries. The visit, Suzuki's first trip abroad since he assumed office, demonstrated how Japan attaches great importance to developing relations with the ASEAN countries. The Japanese ministers of foreign affairs, agriculture and international trade and industry, as well as Japanese economic leaders, also visited the five ASEAN countries and other Asian countries at different times to launch positive diplomatic activities.

Japan's political leaders have repeatedly pledged support for the ASEAN countries' policy toward Vietnam and have resolutely demanded that Vietnam withdraw its troops from Kampuchea. In the wake of the grim situation arising from Vietnam's invasion of Thailand, Prime Minister Suzuki warned Vietnam by voicing his strong opposition to Vietnam's violation of the Thai border.

On the formation of a Kampuchean united front against Vietnam, the Japanese Government has indicated that it will adopt a concerted stand with the ASEAN countries and has supported their efforts to strengthen cooperation and unity. Japan has also encouraged them to build up their defense capability and has praised their proposal for establishing a peaceful, free and neutral zone.

In mid-May, Prime Minister Suzuki made an exception by personally telephoning the leaders of Thailand, the Philippines, Indonesia, Malaysia and Singapore, briefing them on the summit talks between Japan and the United States and the Japan-U.S. joint communique.

Prime Minister Suzuki has explicitly pointed out that the freeze on economic aid to Vietnam cannot be lifted, until a peaceful settlement on the Kampuchean question is reached. This expresses the Japanese people's wish and reflects the Japanese Government's stand. In a recent meeting with Ieng Thirith, a representative of Democratic Kampuchea, Foreign Minister Sonoda reiterated Japan's support for Democratic Kampuchea's representation in the United Nations. He also pledged Japan's efforts to safeguard Democratic Kampuchea's UN representation. The Japanese Government has expressed its willingness to attend and make active preparations for the international conference on Kampuchea scheduled to be held at UN headquarters in New York in July.

Why does Japan attach great importance to political cooperation with the ASEAN countries? To Japan, the safety or danger of Southeast Asia have a vital bearing on Japan's security and prosperity. Southeast Asia is an important source of Japan's energy and raw materials, as well as a huge market for Japanese commodities.

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In foreign trade, Japan's trade with Southeast Asia is second only to Japan's trade with North America. Japan is the largest trading partner of the five ASEAN countries. They have become the major area of Japanese investment. Japanese investment amounts to 45 percent of the total foreign investment in the five ASEAN countries.

Of Japan's petroleum imports, 75 percent come from the Middle East and the petroleum shipments have to pass through the Malacca Strait. Japanese public opinion has stressed that the region where the five ASEAN countries are located is Japan's economic lifeline. The peace, security and stability of the region is a very important guarantee for Japan's economic security. On the other hand, the ASEAN countries hope that Japan can play a political role comparable to its economic strength by supporting the ASEAN countries' reasonable stand on the Kampuchean question.

For many years, the Soviet Union has obstinately occupied Japan's northern territory and willfully violated Japan's territorial waters and airspace. The Japanese people strongly demand that effective measures be taken to counter the Soviet threat and safeguard Japan's security.

Therefore, it is inevitable that Japan and the ASEAN countries will strengthen their political cooperation. They will certainly concert efforts to prevent expansion and infiltration by the Soviets and Vietnamese, large and small hegemonists, and achieve further progress in political, economic and cultural cooperation.

LIAO CHENGZHI MEETS JAPANESE WRITERS DELEGATION

OW201709 Beijing XINHUA in English 1647 GMT 20 Jun 81

[Text] Beijing, 20 Jun (XINHUA)--Liao Chengzhi, vice-chairman of the Standing Committee of the National People's Congress and president of the National People's Congress and president of the China-Japan Friendship Association, met here today with a writers' delegation from Japan. The delegation arrived June 17 as the guests of the Chinese Writers Association. It is led by Kenichi Yamamoto, critic, director general of the Japanese Writers and Artists Association and standing director of the Japan-China Cultural Exchange Association. After the meeting, Liao Chengzhi gave a dinner for the guests.

The delegation was entertained yesterday evening at a reception given by Zhou Yang, chairman of the China Federation of Literary and Art Circles, and the Chinese Writers Association. More than 70 Chinese writers attended.

WEI GUOQING MEETS JAPANESE VETERANS' DELEGATION

OW221220 Beijing XINHUA in English 1208 GMT 22 Jun 81

[Text] Beijing, 22 Jun (XINHUA)--Wei Guoqing, vice chairman of the Standing Committee of the National People's Congress, met here today with a delegation of the Japanese Veterans' Association for Japan-China Friendship led by Noboru Shimoda. In a friendly atmosphere Wei Guoqing expressed his appreciation of the association's active part in promoting Japan-China friendship, and gave an account of China's economic development. Present on the occasion was Zhao Anbo, advisor to the China-Japan Friendship Association.

JAPANESE DIET GROUP ARRIVES IN SICHUAN

OW230545 Beijing Domestic Service in Mandarin 1200 GMT 22 Jun 81

[Text] The delegation from the Japanese House of Representatives headed by Speaker Hajime Fukuda arrived in Chengdu from Xian by plane today for a visit. The delegation was warmly welcomed at the airport by Du Xingyuan, chairman of the Standing Committee of the Sichuan Provincial People's Congress. The Sichuan Provincial People's Congress Standing Committee hosted a banquet in the evening in honor of the distinguished Japanese guests. Chairman Du Xingyuan and Speaker Fukuda exchanged toasts at the banquet warmly greeting the new development in the friendly relations and cooperation between China and Japan.

BEIJING ARAB COMMUNITY DENOUNCES ISRAELI RAID

OW221556 Beijing XINHUA in English 1528 GMT 22 Jun 81

[Text] Beijing, 22 Jun (XINHUA)--Members of the Arab community in Beijing, including students, experts and diplomats, gathered in the Iraqi Embassy here this afternoon and strongly condemned Israel for its recent bombing of an Iraqi nuclear reactor.

In his speech, Iraqi Ambassador to China Badri Karim Kazim said, "The real aim of the criminal Zionist raid is to prevent Iraq and other Arab countries from exercising their right to continue developing in science, economy and technology." He said Israel's acts of aggression "will never deflect our people from restoring their full rights and preserving their sovereignty and independence." Kazim said, the people of Iraq "will draw on its mighty resources to strengthen its struggle against Zionist aggression and all other forms of aggression. Especially we will continue our steady march forward to realize its aims of freedom and progress."

Luo Shigao, vice-president of the Chinese People's Association for Friendship With Foreign Countries, said, "The Chinese people strongly denounce Israel for its new act of aggression toward Iraq." He said that Israel's aggressive act not only challenged Iraq but all other Arab countries and their peoples as well. "The Chinese people firmly support Iraq and other Arab countries in their just struggle to safeguard national sovereignty, restore the Palestinian people's national rights and oppose Israeli aggression and expansion," he said.

Tayyib 'Abd ar-Rahim Mahmud, head of the Palestine Liberation Organization mission in Beijing, also spoke at the meeting.

Also attending were representatives from China's people's organizations and government departments.

ZHAO ZIYANG SENDS GREETINGS MESSAGE TO OAU SUMMIT

OW230743 Beijing XINHUA in English 0700 GMT 23 Jun 81

[Text] Beijing, 23 Jun (XINHUA)--Zhao Ziyang, premier of the State Council of the People's Republic of China, sent a message yesterday to the 18th session of the assembly of heads of state and government of the Organization of African Unity, warmly congratulating the convocation of the session in Nairobi. The message reads:

On the occasion of the successful convocation of the 18th session of the assembly of heads of state and government of the Organization of African Unity, I wish to express, on behalf of the Chinese Government and people, our warm congratulations to the session.

Since the 17th session of the OAU summit meeting, the OAU has scored new victories in its unremitting efforts to oppose the apartheid system of South Africa's racist regime, assist the Namibian people in their struggle for national independence, safeguard the independence and sovereignty of the African states and combat imperialism, colonialism and power politics. It has made tremendous efforts and achieved remarkable successes in encouraging African countries to strengthen their economic cooperation and collective self-reliance and to develop their national economies and cultures. The OAU has resolutely opposed any attempt by any outside forces to sow dissension in and undermine the unity and cooperation among African countries, thus making positive contributions to the promotion of peace and stability in Africa.

All these are the positive results of the efforts of the numerous African countries to uphold unity and persist in struggle under the guidance of the spirit of the "Charter of the Organization of African Unity." We sincerely wish that the 18th session of the OAU summit meeting may make new contributions to strengthening unity among African countries and peoples, opposing foreign interference, winning the complete liberation of the African continent and promoting the economic development of the African countries.

The Chinese and African peoples are friends in adversity. Our hearts are linked together and our friendship has a solid foundation. It is a steadfast policy of the Chinese Government to further consolidate and develop China's friendly relations and cooperation with African countries. The Chinese Government and people will, as always, resolutely support the just struggle of the African countries and peoples. May the session be crowned with success.

END OF OAU SUMMIT, CONDEMNATION OF ISRAEL CITED

OW200251 Beijing XINHUA in English 0231 GMT 20 Jun 81

[Text] Nairobi, 19 Jun (XINHUA)--The Council of Ministers of the Organization of African Unity today concluded its debate on the Middle East and Palestine after condemning Israel for its repeated invasion of Lebanon, recent destruction of the Iraqi nuclear reactor and continued occupation of Jerusalem.

Addressing a press conference at the Kenyatta International Conference Center here today, Peter Onu, OAU assistant secretary-general for political affairs, said that "The council has concluded that the recent action of aggression by Israel on Iraq constitutes a flagrant violation of the territorial integrity of an Arab state."

The council, Onu said, has reaffirmed its recognition of the Palestine Liberation Organization as the sole and authentic representative of the Palestinian people. Onu announced that "The council has called upon the Reagan administration to stop supplying arms to Israel as this only serves to encourage the Zionists to carry out more acts of aggression and acts which are aimed at expansionism."

Onu said that the ministerial council today also discussed the question of setting up an OAU political security council. It held that the proposal for establishing such an organ is ideal but requires further and deeper study. Thus the ministers agreed to set up a small experts committee to further examine the matter.

Before closing the press conference, Onu announced that the OAU sanctions committee had proposed concrete measures for oil sanctions against the apartheid regime of South Africa.

BRIEFS

TUNISIAN NATIONAL DAY RECEPTION--Beijing, 1 Jun (XINHUA)--Tunisian Ambassador to China Mohamed el-Memmi and Mrs Memmi gave a reception here this evening to celebrate the victory day and the 25th anniversary of the independence of the Republic of Tunisia. Among the guests were Huang Zhen, minister in charge of the Commission for Cultural Relations With Foreign Countries, Gong Dafei, vice minister of foreign affairs and leading officials of the Ministries of Foreign Trade, Economic Relations With Foreign Countries, Education and Water Conservancy. Other diplomatic envoys here were also present. [Text] [Beijing XINHUA in English 1505 GMT 1 Jun 81 OW]

BEIJING COMMENTARY FOCUSES ON CUBA'S ISOLATION

OW222150 Beijing Domestic Service in Mandarin 1100 GMT 22 Jun 81

[International current events commentary: "Cuba Is Isolated in Latin America"]

[Text] Recently Cuba's relations with many of its neighboring countries have become tense. One after another some Latin American countries have either severed their diplomatic relations with Cuba or downgraded them from the ambassadorial to the charge d'affaires level. Some others have become so estranged from Cuba that their present relations with it are cool. As Latin American public opinion has observed, Cuba has landed itself in a quagmire of diplomatic isolation and the country will once again find itself the orphan in Latin America.

In February this year the Jamaican Government, following its demand that the Cuban Government recall its ambassador whom it had declared persona non grata in its country, further decided to terminate its former agreement with Cuba under which Jamaicans were trained by Cuba. On 23 March Colombia announced the severance of its diplomatic relations with Cuba. On 29 March Ecuador made an announcement calling on Cuba to recall its ambassador, thus downgrading the diplomatic relations between the two countries to the charge d'affaires level. On 11 May Costa Rica announced that it had severed its diplomatic relations with Cuba. At the same time some Latin American countries have called for the convocation of a regional conference to discuss an overall reshaping of the Latin American countries' relations with Cuba in view of the latter's interventionist policy.

Why is it that Cuba has become so isolated in Latin America? This is the inevitable result of the Castro regime's pursuit of an interventionist policy as an agent of the Soviet Union. As the Colombian foreign minister has pointed out, Cuba is getting itself enmeshed in a web of its own spinning. In the early 1970's the Cuban authorities, in an attempt to improve their diplomatic approach which they found harmful to themselves, made it known on many occasions that they were willing to be on friendly terms with the Latin American countries. Castro pledged in all sincerity and seriousness that his country would not interfere in the internal affairs of other countries. It was under these circumstances that some of the Latin American countries agreed to establish or restore their diplomatic relations with Cuba.

However, no sooner had Castro finished what he said, than Cuba acted blatantly as a hatchet-man of the Soviet Union by sending its troops to Africa to carry out interventions in Angola and Ethiopia, thereby exposing its features as an aggressor for all the world to see. This could not but arouse apprehensions and vigilance among the Latin American countries.

As the two superpowers--the Soviet Union and the United States--step up their contention in the Western Hemisphere, Cuba has flagrantly served the expansionist policy of the Soviet Union as its agent in Latin America by carrying out unscrupulous interference in the internal affairs of the Latin American countries. It has instigated and taken advantage of the internal disputes and turmoil in other countries in an attempt to fish in troubled waters and expand its influence there, thus threatening the independence and security of the Latin American countries. Particularly conspicuous is the despicable part Cuba played recently in the situation in El Salvador which has aroused even wider indignation among the Latin American countries. The domestic situation in El Salvador has been unstable for a long time because of the interventions from the superpowers. Cuba has shipped large quantities of weapons and ammunition into El Salvador in a flagrant interference in the internal affairs of another country. This has not only aggravated the unstable situation in El Salvador but affected the tranquillity in the Caribbean region as well.

A preliminary estimate shows that leaders of as many as 17 Latin American countries have made statements this year expressing their firm opposition against any form of foreign interference in the internal affairs of El Salvador. Venezuela's foreign minister said that Cuba's actions in Central America and the Caribbean region are part of the Soviet Union's global strategy.

Costa Rica's foreign minister accused Cuba of aiding the guerrillas in El Salvador as well as of political actions of violence in neighboring countries during the civil war in El Salvador. In his recent remarks on his country's relations with Cuba, Venezuela's president noted: Our relations with Cuba are very cool at present and we both have called back our ambassadors from each other's country. He stressed that as long as Cuba persisted in its hostile activities against its neighbors in Latin America it would be futile to hope that it could maintain good relations with them. It is precisely because Cuba is pushing its interventionist policy in Latin America that it has become more and more isolated in the area.

When the Colombian president announced Colombia's severance of diplomatic relations with Cuba in March this year, he said: This decision of the Colombian Government has nothing to do with the ideology of the Cuban Government. This decision is made because Cuba has adopted the radical course of training and arming antigovernment guerrillas in Colombia. He denounced Cuba for ignoring its international obligations and interfering in Colombia's internal affairs.

According to a report from Jamaica, the Jamaican Government has canceled its agreement with Cuba to train Jamaicans, because the participants of this training program received military training aimed at directly interfering with Jamaica's internal affairs.

Another reason for the tense relations between Cuba and the Latin American countries is that Cuba has adopted a very rude and unreasonable attitude in dealing with Cubans who seek refuge in the embassies of Latin American countries in Cuba and that Cuba refuses to observe international practices and willfully undermines the basic principles of coexistence among nations. In 1980 alone over 100,000 Cuban refugees fled their country. To extricate themselves from the predicament of soaring prices, severe commodity shortages and low living standards, many Cubans who cannot stand the political persecution by the Cuban authorities want to leave Cuba. Many of them seek refuge in the embassies of Latin American nations. The incident of more than 10,000 Cubans pouring into the Peruvian Embassy in April this year stirred public opinion throughout the world. The Cuban authorities have run counter to international practices in dealing with this kind of incident by unreasonably blaming the foreign embassies in Cuba. They even have infringed upon the rights of the foreign embassies and threatened the security of diplomatic personnel. Venezuela, Peru, Ecuador, Costa Rica and other countries have lodged protests against Cuba one after another. Some of the nations have ~~even~~ recalled their envoys in Cuba.

In February this year another group of Cubans sought refuge in the Ecuadorean Embassy. The Cuban authorities went so far as to mobilize their armed forces to enter the Ecuadorean Embassy compound by force in order to arrest the refugees. The Ecuadorean Government protested to the Cuban authorities regarding this incident and immediately recalled its ambassador to Cuba. Later Ecuador announced that its diplomatic relations with Cuba would be downgraded to the charge d'affaires level. Ecuador's foreign minister said: Cuba must fully adhere to the principle of noninterference. This is a prerequisite in maintaining normal relations for Cuba.

In the past years the Castro administration has closely followed Moscow and willingly played the role of the hatchetman and surrogate of the Soviet hegemonists. This has caused confusion in the minds of the people of Cuba, pushed Cuba's economy to the brink of bankruptcy, ruined Cuba's reputation abroad and brought about diplomatic isolation. Even Castro himself bleated: "Cuba is sailing through rough seas." It seems that this predicament, both at home and abroad, will continue to aggravate and that the Castro administration is going to have a tougher and tougher time.

VATICAN-APPOINTED ARCHBISHOP HOLDS PRESS CONFERENCE

OW230732 Hong Kong AFP in English 0706 GMT 23 Jun 81

[By David Lan]

[Text] Hong Kong, 23 Jun (AFP)--The Vatican's newly appointed archbishop of Guangzhou, Monsignor Dominic Tang, was surprised at the leftwing report today that the Guangzhou Catholic Patriotic Association has revoked his post of bishop of Guangzhou. Archbishop Tang was told of the news at a press conference here this morning after his return from Rome yesterday.

The report by the leftwing WEN WEI PO said that at a joint meeting of the Guangzhou Catholic Patriotic Association and the Guangzhou Diocese of the Catholic Church held on June 21 it was unanimously resolved to revoke Tang's posts both as the bishop of Guangzhou and as vice chairman of the third committee of the Guangzhou Catholic Patriotic Association. "At the meeting, all the committee members, clergy and followers indignantly protested against Rome's interference with the sovereignty of the Chinese Church and denounced the shameful conduct of Tang Yiming as a rebel," the report claimed.

Archbishop Tang said he had accepted the papal appointment in the belief that Rome wanted to improve its relations with the church in China. Recalling his Rome visit, Monsignor Tang said in a statement, the Catholic Church has absolutely no political objectives anywhere in the world and in fact only wishes to encourage every citizen to love his religion and country and to promote the virtues of his own cultural heritage."

Monsignor Tang continued, thus, as a gesture of honor and encouragement to my country and my brothers and sisters in the church the pope named me the archbishop of the Archdiocese of Guangzhou (Canton). Hoping this action would improve relations between China and the Vatican, I, though keenly aware of my limitations, accepted this title."

On questioning, Archbishop Tang admitted that the Vatican had not consulted China prior to his appointment as the archbishop of Guangzhou. "But then there was no official relationship between Rome and China and, therefore, no way for prior consultations," he explained.

At the beginning of the conference, Monsignor Tang had said he was "determined, ready and willing" to return to Guangzhou where "I will join my own efforts to those of my countrymen in building up my country and further developing the church as soon as a speedy recovery of my health permits."

Half way through the conference after he was informed of the Guangzhou report he qualified his statement by saying he would return to Guangzhou "as soon as my health permits and all obstacles are removed." After his release last year from a 22-year imprisonment in China, Tang was elected by the church in Guangzhou as the bishop of Guangzhou before coming to Hong Kong for a surgical operation on cancer in colon.

Vatican's Secretary of State Cardinal Casaroli visited Tang in Hong Kong on February 28 this year, conveying Pope John Paul II's cordial greetings and moved by the great honour, Tang decided, with the permission of his doctor, to visit the pope in Rome in late April. It was the first chance for me to meet the pope in 30 years since I was appointed apostolic administrator of Guangzhou (back in 1950.)"

Monsignor Tang repeatedly stressed that during his meeting with the pope, the holy father frequently voiced his deepest regard and respect for "my countrymen and the church in China." On the independence of the church in China, Monsignor Tang said "I cannot agree with them in total since I believe in the universality of the church which must be united with the Vatican."

Monsignor Tang who reportedly has been associated with the Chinese Catholic Patriotic Association said he has never shouldered the office of vice chairman of the Guangzhou Catholic Patriotic Association.

He said he was freed from prison after the authorities felt his "repentance" as a matter of formality without which nobody would have been released.

Asked if his press conference would make his return to Guangzhou more troublesome, Monsignor Tang said, "There will be no conflict because I am speaking from facts with great sincerity." He believed the problem of normalizing relations between China and the Vatican would be resolved eventually.

RENMIN RIBAO EDITORIAL ON CRIME CRACKDOWN

OW221228 Beijing XINHUA Domestic Service in Chinese 0716 GMT 22 Jun 81

[Text] of RENMIN RIBAO 22 June Editorial: "Use the Weapon of Law To Crack Down on Criminal Activities"]

[Text] Since the convocation of the 3d Plenary Session of the 11th CCP Central Committee, the socialist legal system has been constantly improved, the broad masses of people have raised their moral level and strengthened their sense of legal system, the comrades in political and judicial departments have worked hard and the situation of security in the whole country has improved to some extent.

However, because of some factors at home and international influence, class struggle still exists within certain limits. Because the pernicious influence of the Lin Biao-Jiang Qing counterrevolutionary cliques has not been thoroughly eradicated, there are still many problems concerning social order. In some places, there are flagrant criminal offenses and frequent occurrences of major criminal cases. Some cases make people very angry, seriously endanger the security of the people and the building of the four modernizations and incur great popular indignation. Therefore, we must fully understand the situation and must not lower our guard.

There are several reasons that cause poor social security in some places. Judging from our work, a main reason is the fact that the political and judicial departments in some localities have not strictly implemented the law. They have not promptly dealt telling blows to serious and active criminal offenders and in some instances they have even refrained from taking measures to crack down on certain criminal activities that should be dealt telling blows. As a result, some criminal offenders have become bold and run wild. The masses have expressed their dissatisfaction over this situation and criticized the political and judicial departments. We must pay great attention to this matter. The comrades of the whole party, especially the comrades in political and judicial departments, should fully understand the harm of criminal activities, serve the people wholeheartedly, have a high sense of responsibility toward the people and correctly use the weapon of law to resolutely strike at and guard against all kinds of criminal activities so that a healthy atmosphere will prevail, unhealthy trends will be checked, the bad people will be afraid of the good people, the masses and the law, and the system of people's democratic dictatorship will be further strengthened and consolidated.

The law of our country is an effective weapon to strike blows at the enemies, punish offenders and protect the people. As state organs, the political and judicial departments should carry out their work boldly in accordance with the law and effectively protect the people and strike at bad elements. They should not be overcautious. We should see that the offenders who cause most serious harm to social security and are most hated by the people are those who commit crimes such as homicide, robbery, rape, criminally-caused explosions and arson, and the chieftains of criminal gangs, abettors and other criminals who seriously disrupt social order. Those offenders often take advantage of the benumbed thinking and poor discipline of some comrades of certain units and loopholes in work system to engage in various kinds of criminal activities. Although there are few such offenders, they cause great harm and often create serious consequences. If a serious case happens in one place or one unit, it will disturb the peace of all the people there and adversely influence the work, study and normal life of the masses.

Therefore, faced with serious crimes in society, we must promptly mete out severe punishment against those active criminal offenders who endanger the security of the people in accordance with the law. In particular, concerning abettors, principal criminals and repeated offenders who either escape from detention or commit new crimes while undergoing reform and reeducation through labor or after being released, it is necessary to strictly punish them or mete out heavier punishment against them. In addition, if they reside in cities, their names should be removed from urban household records and they should be sent for reform to places where they cannot easily violate the law and commit crimes. Let such people stay away from places with a social environment in which they can easily commit crimes. What we mean by heavier punishment is that after proving the offenders' crimes, we should mete out relatively heavy penalties within the scope of punishment in accordance with the criminal law. What we mean by prompt punishment is that the cases should be handled promptly within the legal limit in accordance with the stipulations of the law of criminal procedure.

When the judgment is passed on a criminal case according to law, it is also necessary to hold a mass rally to announce the judgment, as Maanshan Municipality did with the rape case of Zhang Yuangen. This gives wide publicity to the legal system, displays the might of the people's democratic dictatorship, enhances the morale of the masses and strikes terror into criminals' hearts. Facts show that it is necessary to punish criminals severely and speedily according to the law in order to dampen their arrogance, to check the unhealthy trends harmful to public security and to support the masses of people in their struggle against criminals. The "Resolution on Strengthening the Work of Law Interpretation," "Decisions on Approving the Death Sentence" and "Decisions on Handling Escapees and Recidivists Under Reform Through Labor or Reeducation through Labor" recently adopted by the NPC Standing Committee are aimed at dealing blows at criminal activities and consolidating public security. All localities must conscientiously enforce those decisions. Large numbers of cadres, judicial and public security personnel in particular, should study and clearly understand the law and publicize it.

Young people account for a large portion of the criminal offenders. These young people have taken a wrong step in life and have gone astray mainly because they have been poisoned by the Lin Biao and Jiang Qing counterrevolutionary cliques or have been influenced by bourgeois ideology and the bourgeois way of life abroad. As for those who have committed minor crimes, we should, in addition to dealing with them according to law, educate, reform and redeem them enthusiastically, patiently and painstakingly as parents do with their children suffering from an infectious disease and as a doctor does with his patients. Most of these young people can be helped and educated through the joint efforts of neighborhoods, families, schools, factories, mines and enterprises and by establishing and strengthening basic-level public security organizations under the leadership of party committees and local governments. If these young people are too difficult for families and society to handle, it is necessary to set up work-study schools for them or reeducate them through labor. It is essential to help them to change through education, to show concern for their study, work and livelihood and to do our best to help them change for the better.

As for those who have committed serious crimes, we must punish them according to law. Under no circumstances must we be softhearted toward them. Punishing a few is also aimed at educating the majority of young people so that they will not be influenced or poisoned by the few.

The question of public security is a matter of concern to the entire society. To do a good job in maintaining public security, it is necessary for the whole party and the whole society to make concerted efforts in this regard. This question cannot be basically solved only by relying on the work of the judicial and public security departments or by dealing blows at and punishing a few criminals. Under the leadership of party committees at various levels, all party members should start organizing forces in various circles and rely fully on the masses to use economic, political, legal and ideological means to tackle this question in a comprehensive way. This is a fundamental measure to achieve and maintain good public order over long period of time.

The judicial and public security departments are directly responsible for dealing blows to criminal offenders and maintaining public order. They should have a strong sense of responsibility in protecting the life and property of the people and bring their role and functions as state organs of the people's democratic dictatorship into full play. These special organs should follow the mass line and work together with the broad masses of people to deal resolute blows to criminals and prevent criminal activities. As long as the judicial and public security departments forcefully back the masses of people, sternly punish criminals who dare to intimidate, retaliate against or harm those who seized and handed them over to public security authorities, and as long as those departments encourage and protect the enthusiasm of the masses in waging a struggle against criminals and the broad masses of people give vigorous support and help in the judicial and public security departments in performing their functions, it will be very difficult for criminal offenders to escape the net of justice. Then, the socialist legal system will be further strengthened, the excellent situation of stability and unity will be further consolidated, the socialist construction of our country will be developed smoothly and the incomparable superiority of the socialist system will be fully displayed.

RENMIN RIBAO COMMENTATOR ON NATIONALITIES TRADE

HK220654 Beijing RENMIN RIBAO in Chinese 9 Jun 81 p 4

[Commentator's article: "Develop Nationalities Trade and the Production of Consumer Goods for Minority Nationalities"]

[Text] Ours is a united, multinationality socialist country. Despite the fact that the population of minority nationalities is small, they dwell in 50 to 60 percent of the total area of our country; most of them live in remote mountainous and pastoral areas or along the frontiers of our country. Under the rule of the reactionaries before the liberation, they were cruelly oppressed and plundered. They led a very hard life, for their economy was not developed. Since the liberation, our nationality policy has been to promote the economy of the minority-nationality regions, and we stress that nationalities trade is part of economic work as well as political work. We must try our best to do a good job in it.

Actively supporting and promoting diversified economy in the minority-nationality regions is an important way to help minority nationalities get rich. The minority-nationality regions in our country have abundant resources and varieties of industrial crops which play a significant role in the national economy. For example, Xinjiang abounds with long fiber cotton, and Guangxi with sugarcane while Yunnan and Hainan Island are favorable for growing rubber, pepper, coffee and Chinese medicinal herbs. We must bring into full play the superior features of abundant resources in the nationalities regions, and strive to purchase and sell agricultural, sideline and indigenous products which the masses are eager to sell and which can be easily transported and are marketable, so as to increase the income of minority nationalities. In procuring them, we must take into consideration the interests of the state, the collective and the individual, and stipulate a rational proportion between products for procurement and products for their own use. We must not procure excessively, neither should we limit and stop procurement. While we must not downgrade the goods and force the prices down, neither should we upgrade the goods or raise the prices. We must continue implementing the policies of safeguarding the price and subsidizing transport costs in remote mountainous and pastoral areas. We must continue implementing the "three consideration policy" by which the nationalities trade enterprises have the right to own funds, keep part of the profits and receive price subsidies. We must restore this policy in places where it was abolished. We must take care of and make good use of the funds for subsidizing production in the nationalities regions and bring their economic effect into full play. We do believe: If these policies are seriously implemented, the economy of the minority nationalities will certainly prosper.

It is our party's consistent policy to respect the customs of minority nationalities. We must act according to the local situation and the distinguishing features and customs of all nationalities, observe the principle of using the local materials to produce and supply products for local consumption, and devote major efforts to producing marketable nationality commodities. As for nationality commodities which demand higher techniques and which the nationality regions cannot yet produce, we must bring into full play the role played by the coastal areas where these commodities have been produced all along. They should continue supplying products to the nationality regions to satisfy the needs of the people. We must include materials needed for production of nationality commodities in the plans of goods and materials distribution departments at all levels; furthermore, we should ensure that they are supplied on time in the proper qualities and quantities.

We must give due consideration to the minority-nationality regions in distributing the commodities they need. We must give priority to the nationality regions and supply them some commodities which are in short supply. As for ordinary commodities, we must suitably increase the proportion of distribution; we must continue giving special treatment in supplying commodities for the nationality regions. We must give priority to arranging production of commodities needed for production and for everyday use in order to ensure that there is sufficient supply.

It is an important measure of our party's nationalities policy that we establish a rank dominated by minority nationalities to take charge of nationality trade and the production of nationality commodities in regions inhabited by minority nationalities. The staff of minority nationalities have very close relations with the masses, and they understand the history and the present situation, the customs and the language of the local nationality as well as the thoughts, feelings and needs of the people. We must rely on them to launch work in the nationality regions so that our party's nationality policy will be able to strike roots in the nationality regions, and blossom and bear fruit there.

Most of the enterprises in the minority-nationality regions are primitively equipped and the techniques they employ are backward. There are only a few enterprise networks and they are seriously short of equipment and facilities. With the incessant development of production and the increasing demand of the people, the situation is growing more acute. To manage the situation, we must take localities as basic units, have an overall plan and try to do a good job in readjusting and constructing nationality commodity enterprises, form an industrial, handicraft system for every nationality and try our best to facilitate the livelihood of the masses. We must gradually build cold stores, oil depots, medical stores and other warehouses so as to fully utilize the resources in the nationality regions, reduce losses and raise the economic benefits.

The socialist nationality policy aims at promoting political development and economic prosperity for all nationalities. CCP committees and people's governments at all levels and all departments should always have the minority nationalities in mind, try in every way to give them help, and continue relaxing policies so as to speedily promote production. To better develop production in the minority-nationality regions, and to improve their living standard, we must grasp the key link of nationality enterprises and production of nationality commodities and try our best to score achievements as soon as possible.

RENMIN RIBAO VIEWS RECTIFICATION OF ENTERPRISES

HK220521 Beijing RENMIN RIBAO in Chinese 10 Jun 81 p 1

[Editorial: "Help Basic-Level Cadres Effectively Rectify Enterprises"]

[Text] Two years have passed since the "eight-character" principle was put forward by the Central Committee. One of the items of this principle is rectification. We have made achievements in the work of rectification but the results in some factories, mines and enterprises in this respect are not apparent.

At present, some work has not yet been seriously inspected. If we carry out serious inspection, we will discover problems. This is also true of the rectification of enterprises. Leading cadres of economic departments at all levels must drastically reduce statistical tables and reports and statistics; they should not handle affairs according to set patterns or act on assumptions, but should concentrate their efforts on carrying out investigations, inspecting work at the basic levels, discovering problems and solving them. They should help basic-level cadres to rectify well the existing enterprises and cultivate and set up a number of typical examples to stimulate the whole effort. General calls without typical experiences and without convincing and appealing material will not be very effective.

In giving full play to the existing enterprises and improving the economic effect of the existing enterprises lie the hopes for fulfilling the plans and promoting the economy in the coming years. Therefore, we should go all out to do a good job in rectifying the existing enterprises. In enterprises already rectified, we should do a good job in consolidation and improvement.

Building a good leading group is the crux of rectifying enterprises. We should continue to eliminate the influence of "leftist" ideas in economic work through study and seek unity of thinking on the basis of the line, principles and policies of the third plenary session of the CCP Central Committee. We should promote to higher posts cadres with good thinking, great capability and strong determination to implement the party's line, principles and policies. As for incompetent cadres, we should make appropriate readjustments. We should resolutely remove from the leading group through readjustment any person who still closely follows Lin Biao and the "gang of four," has his mind stuffed with factionalist ideas and is still unwilling to correct his mistakes whenever they are discovered. With the exception of a few enterprises where experiments on reforming the system of leadership are being carried out, all enterprises should still practice the system of having the factory manager assuming responsibility under the leadership of the party committee. The party committee should concentrate its efforts in firmly grasping the building of the party, doing a good job in political and ideological work and discussing and deciding plans for the production and construction in the enterprise and major economic strategic decisions. We should, by means of a system, get rid of the phenomenon of mixing up party and administration and the phenomenon of the party committee undertaking all administrative work. The party committee should give full support to a factory manager in performing his duties. A factory manager assumes overall responsibility for administrative work, holding duties and powers in this respect. Deputy managers should hold themselves responsible to the manager in the work assigned to them. We should seriously do a good job in democratic management, set up and improve the workers' congress system and ensure that staff members and workers can fully exercise their rights as masters of their enterprises. Major problems of an enterprise, especially those concerning the vital interests of staff members and workers, must be discussed and approved by the workers' congress and put into effect under its supervision.

At present, a weak link in enterprise management is that foundation work is not solid and the system of personal responsibility is not sound. This gives rise to chaotic production order, low-quality products, high consumption of raw materials and serious waste. In setting up and improving various types of responsibility systems, we should proceed with the responsibility system for factory managers and gradually set up responsibility systems for workshop heads, team and shift leaders as well as for each link and each process. Responsibility systems should be set up one level after another so that everyone has his own responsibility and everything is looked after by someone. We should link the bonuses of staff and workers to the fruits of production and management and with the labor contribution of staff members and workers, according to the principle of distribution according to work and on the basis of establishing systems of personal responsibility and of checking people's capability and of the strengthening of quota management. We should resolutely oppose egalitarianism. We should realize safety in production, civilized production and balanced production.

In order to run an enterprise well, it is imperative for the leadership of the enterprise to put an end to the practice of paying attention only to production and disregarding sales and of paying attention to management and ignoring how to build up the enterprise. They must thoroughly correct the "supply system" notion that "plans are transmitted from higher levels, raw materials are allocated and sale depends on purchase monopolized by the state" and correct the work style of "official industry" and "official commerce." They must foster the concepts of the market, of building up the enterprise and of service.

We must make use of the favorable opportunity of economic readjustment to do a good job in providing regular training for staff members and workers. We should train by stages and groups leading cadres, workshop directors, section chiefs and management personnel in medium-sized enterprises and above. We should select a number of middle-aged and young cadres and make plans for sending them to universities and colleges for further education. We should promote the cultural and technical studies of staff members and workers and encourage thorough training in basic skills. Young staff members and workers should also learn some history. They should learn China's modern history of the past century or more and in particular the revolutionary history of the past 60 years since the founding of the CCP. Exams should be given to staff members and workers participating in studies, including full-time studies and spare-time studies, and certificates should be given to those who pass the exams. They should receive the same treatment as those studying in regular schools, and those certificates should be used as a basis for checking capability and for promotion. We should also ensure that staff members and workers who have been enrolled in various kinds of regular spare-time schools can spend a small amount of their work hours for study.

We should strengthen and improve political and ideological work and do a good job in the ideological building of staff members and workers. At present, we should attach special importance to the education of young staff members and workers. Young staff members and workers below 30 account for over 60 percent of the total numbers of staff members and workers in the whole country. Good training and education of these young staff members and workers are of vital importance to the future and destiny of our country. In doing political and ideological work, we should adopt a policy of enthusiastic guidance and integrate it closely with economic work. We should persist in education in the four basic principles, oppose extreme individualism and anarchy and resist the corrosive influence of bourgeois thinking. We should strengthen education in the party's line, principles and policies and in the current situation, so that the broad masses of staff members and workers can increase their sense of responsibility as masters of their enterprises and carry forward the spirit of doing solid work. Political and ideological work must be done together with work for the welfare of staff members and workers and work for solving their practical problems.

The crux of rectifying and improving the enterprises lies in strengthening leadership. All localities and all departments should put this item of work on their important agenda, seriously sum up past experiences, make out plans and measures for the future, firmly grasp the work of arrangement and implementation and conduct periodical inspection and acceptance.

FOREIGN RELATIONS HISTORY SOCIETY ESTABLISHED

HK220149 Beijing GUANGMING RIBAO in Chinese 8 Jun 81 p 3

[Report by Wu Fengbin [0702 7685 2430]: "The Establishment of the Society To Study the History of China's Foreign Relations"]

[Text] A meeting to mark the establishment of the society to study the history of China's foreign relations and the first symposium of the society were held at Xiamen University not long ago. Participating in the meeting were over 80 experts and scholars from nearly 50 units of the country.

Comrades participating in the meeting had serious discussions on the object, task, methods and guiding ideology of the study of the history of China's foreign relations and on theoretical problems such as relations of China's foreign policies. Everybody held that the study of the history of China's foreign relations was a branch of science concerning the processes and laws of political dealings, economic exchange and cultural influence between China and foreign countries in the past. Summing up the historical experiences and laws of development of China's foreign relations is of important practical significance to our country's socialist construction.

Experts and scholars who participated in the meeting also put forth constructive suggestions on a series of problems. These problems are: How to organize academic activities, issue professional publications, edit, translate and publish basic materials, indexes of Chinese works and noted works from abroad; how to strengthen international exchange and cooperation with relevant academic bodies; how to give full play to the role of the history of China's foreign relations and make contributions to the four modernizations.

The meeting elected the first council and elected Huan Xiang as honorary council chairman, Chen Hansheng, Ji Xianlin, Weng Dujian, Han Rulin, Zhu Jieqin, Wu Tingqiu, Hou Fangyue, Chen Bisheng, and Zhang Xuan as honorary council members, Sun Yutang as council chairman, and Ma Yong as secretary general. The first council studied and planned the work of the society.

RENNMIN RIBAO EXCERPTS OF SCIENTISTS' SPEECHES CITED

OW171308 Beijing XINHUA in English 1252 GMT 17 Jun 81

[Text] Beijing, 17 Jun (XINHUA)--The PEOPLE'S DAILY today devotes a full page to excerpts of speeches given by leading scientists at the June 8th forum. Under the heading "Heartfelt Wishes of Scientists," the paper's editorial department published the excerpts to mark the upcoming 60th anniversary of the founding of the Communist Party of China.

Noted 79-year-old physicist and chairman of the China Association for Science and Technology, Professor Zhou Peiyuan said "During the past 60 years, the Communist Party has scored great successes and also sustained setbacks and mistakes." However, he said, without the leadership of the Chinese Communist Party new China would not have been able to come into existence. There were achievements as well as problems in every field. Scientific research and education were no exception, he said. Yet scientific developments in China were remarkable. The Chinese Academy of Sciences, he said, which had only 200 people when inaugurated in November 1949, now boasts a staff of 80,000, half of whom are scientific researchers. In addition, he said, are the Chinese Academy of Medical Science and the Chinese Academy of Agricultural Sciences. The recent reform that has brought China's scientific endeavor under the leadership of scientists is a big step forward, he said.

A veteran educator, Zhou Peiyuan called for reforms in education including an increase in funds and an upgrading of the social status of teachers.

In his speech, Qian Xuesen, 70, noted aerodynamicist, called for the rectification of the prevailing erroneous notion that scientific, educational and cultural endeavors are "consumptive." He said that scientific research, education and cultural undertakings are "productive" because they open the way for agricultural and industrial production. He urged the application of systems engineering to education and scientific research.

A physical chemist and newly elected president of the Chinese Academy of Sciences, Lu Jiaxi, 66, said that among all the gaps between China and other advanced countries, the gap in organization and management stands foremost. He urged leaders at all levels to improve organization and management by applying dialectics to bring about vigorous developments in the sciences and other areas.

Yan Dongsheng, 63, a noted inorganic chemist and newly elected vice president of the academy, suggested three things for developing science and education: namely to rely mainly on China's own efforts in developing her economy as well as science and education, to attach importance to training talented people in various fields and to be determined in carrying out reforms in management.

Noted mathematician Hua Luogeng, 70, stressed that in the process of realizing the modernization, China as a socialist country should not blindly copy the way of advanced capitalist countries but should start from her own actual conditions.

Yang Le, 41, a mathematician, Ding Guoyu, 50, a seismologist and Tang Xiaowei, 50, a high-energy physicist, wished the party organizations at all levels would show still more solicitude for middle-aged and young intellectuals, listen to their suggestions and views for production, research and teaching and improve their working and living conditions.

FOOD MINISTRY, BANK ISSUE AGRICULTURE CIRCULAR

OW110554 Beijing Domestic Service in Mandarin 1200 GMT 10 Jun 81

[Text] The Ministry of Food and the People's Bank of China recently issued a joint circular calling on food departments and people's banks in various localities to ready funds for purchasing grain and oilbearing crops during the summer so as to ensure that payment for purchased grain and oilbearing crops is made expeditiously. The circular asked the food departments in various localities, while preparing storage space, weights and laboratory test equipment for taking delivery of grain and oilbearing crops, to make available funds needed for purchasing grain and oilbearing crops. Under no circumstance should they refuse to make the purchase on the pretext of unavailable funds.

The people's banks on the other hand must provide sufficient funds in a timely manner for purchasing grain and oilbearing crops. The banks must help when the funds actually needed for the purchase exceed the original plans. Enterprises may take out loans and at the same time prepare supplementary reports on plans to use the additional amounts of money.

The circular also called on food departments in various localities to strengthen ideological and political work and mobilize the peasants to sell fine grain and oil-bearing crops to the state. The circular said that efforts should be made to do a good job of examining quality and setting prices according to quality. Downgrading quality in order to set lower prices or vice versa is not allowed. Steps must also be taken to make it convenient for peasants to deliver the grain and oilbearing crops.

SHANGHAI, SICHUAN COOPERATE IN SILK PRODUCTION

OW171316 Beijing XINHUA in English 1302 GMT 17 Jun 81

[Text] Shanghai, 17 Jun (XINHUA)--Shanghai, China's leading textile city, and Sichuan Province, the country's No 1 silkworm cocoon producer, are cooperating well in silk production, a spokesman for the Shanghai Municipal Textile Bureau said. The cooperation began recently under an agreement reached between the textile bureaus of Shanghai and Sichuan through the arrangement of the Ministry of Textile Industry.

"Our cooperative effort has resulted in the best use of Shanghai's silk processing techniques and Sichuan's abundant silkworm cocoons," the spokesman said. "This is only the beginning of our cooperation," he said. "Our final goal is to integrate the supply, production and marketing of cocoons and silk between the two places. It conforms to the trend in restructuring China's economic management system."

Cocoons now are shipped to Shanghai after removal of the silkworm chrysalises in Sichuan instead of transporting unprocessed cocoons. As a result, Sichuan will save 300,000 yuan in freight charges a year. Shanghai provides equipment and technical guidance for pupa removal.

The Shanghai No 1 silk dyeing mill is working with the Chengdu silk printing and dyeing mill to improve techniques. Shanghai silk mills are cooperating with the Chongqing silk mill and Sichuan's Yongchuan spun silk mill. In addition, the Chengdu silk velvet mill has sent technicians and workers to Shanghai to learn velvet dyeing and finishing techniques.

XINHUA COMMENTS ON GRAIN, DIVERSIFIED ECONOMY

OW201438 Beijing XINHUA Domestic Service in Chinese 0153 GMT 20 Jun 81

[Excerpts] Beijing, 20 Jun (XINHUA)--After taking the crooked road of "grasping grain only" for many years, China's agriculture is now changing toward the direction of "never relaxing grain production while positively developing a diversified economy." In 1980 the country created new high output records in its seven major products: cotton, oil-bearing crops, sugar-bearing crops, tea, cocoons, jute and ambari, and meat. A lively atmosphere prevailed in the rural economy.

The achievements in readjusting the inner structure of agriculture have become obvious in the people's economic life. As a result of many consecutive years of bumper harvests of oil-bearing crops, the country's history of consuming imported edible oil for so many years has ended, and many agricultural and trade markets have edible oil on sale throughout the year. Prices in some markets are lower than the state negotiated prices. The production of meat has increased constantly for 2 years, basically solving the over 10-year problem in "eating meat." The typical investigation materials provided by Sichuan, Quizhou and other provinces indicated that the peasants' food structure has begun to change in that their grain consumption has decreased and their consumption of meat, edible oil, eggs and sugar has increased. The fast speed of the country's development of a diversified economy over the past 2 years is historically rare. In 1980 the total cotton output was over 54 million dan, breaking through the stagnant situation that had occurred for many years and showing an increase of 24.9 percent over 1978. The total output of oil-bearing crops rose by 19.5 percent over the bumper year of 1979, and the total output of rapeseeds for 1981 also increased by more than 30 percent over 1980. The total output of sugar beets was more than doubled, changing many sugar refineries which suffered a long time from a "shortage of sugar beets" into ones which have an "excessive supply of sugar beets."

After the rational readjustment of the inner structure of agriculture, the commercial indices of the country's agricultural and sideline products have risen year after year. According to statistics, the total amount of procurement of these products in 1980 increased from 46 billion yuan in 1978 to 67.7 billion yuan, and the ratio between this amount and the total agricultural output value rose from 31.5 percent to 41.6 percent. The average commodity value delivered to the state by each individual worker increased from 148 yuan to around 215 yuan.

In 1980 the country reduced the acreage of improper multiple cropping grain area by tens of millions of mu and used a part of this area to develop a diversified economy. The result was that in the year of serious natural disasters, the output of industrial crops increased and a second historically high yield of grain was scored.

AGRICULTURAL ZONING SURVEY BEGUN IN NORTHERN AREAS

OW222020 Beijing XINHUA Domestic Service in Chinese 0706 GMT 22 Jun 81

[Excerpts] Beijing, 22 Jun (XINHUA)--The work of agricultural zoning in areas protected by forest belts was begun recently in the 11 provinces and autonomous regions in northern, northeast and northwest China. These three regions are the key regions in the agricultural zoning plan for the entire country.

More than 150 people including professors, scientific workers and experts in the fields of agriculture, forestry, animal husbandry, hydrology, meteorology, geography, ecology, remote sensing and economics are taking part in a comprehensive general survey before deciding on the agricultural zoning. In coordination with the various provinces and autonomous regions, they will within 2 years make a complete survey of the agricultural resources in the three regions and provide scientific data for the rational arrangement of agriculture, forestry and animal husbandry.

The three regions include deserts, areas that are turning into deserts and a vast expanse of the loess plateau of north China, which combined account for one-third of China's land area. For a long time they have been suffering from a shortage of trees, fuel, fodder and fertilizer as well as from sandstorms, drought, water and soil erosion, hailstones and frost. Agricultural and animal husbandry production here are low and unstable, and the people's life is impoverished. Departments concerned have done much to change the backwardness of these three regions.

In recent years the party and the government have shown great concern for the hardship of the people in the three regions. They have allocated large sums of money to help them develop production. In 1978 the State Council decided to build a network of forest belts in the three regions. Last year the second national conference on agricultural zoning made agricultural zoning in the forest belt areas of the three regions one of the key projects of the program for agricultural zoning throughout the country.

Recently the State Agricultural Commission instructed the coordinating leading group in charge of agricultural zoning in the forest belt areas of the three regions to convene a specialized meeting in Beijing. The meeting invited 20 experts and professors to form a group of technical advisers. They will study and solve important academic and other difficult problems that may emerge in the work of agricultural zoning.

STATE COUNCIL APPROVES URBAN CONSTRUCTION PLANS

OW190826 Beijing XINHUA in English 0818 GMT 19 Jun 81

[Text] Beijing, 19 Jun (XINHUA)--The area and population of Chinese cities must be strictly controlled while construction of housing, utilities and other public facilities proceeds according to current needs, China's State Council said recently in approving overall construction plans for two large cities. The State Council also said cities must intensify efforts to protect water resources, control environmental pollution and promote urban tree-planting. Cities should gradually become "civilized and clean," it said.

The plans approved set guidelines for future development of Shenyang, capital of Liaoning Province and a heavy industrial city in northeast China, and Changsha, capital of Hunan Province in central China. The State Council said that Shenyang was an overconcentration of industry, so no new factories shall be built there. Development of the city will be based on technical upgrading of existing enterprises.

Similar overall plans are now being mapped out for the three municipalities of Beijing, Shanghai, Tianjin, all the other provincial capitals and other major cities. They also must be approved by the State Council.

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GAINS IN URBAN CONSTRUCTION, OTHER AREAS NOTED

OW230855 Beijing XINHUA Domestic Service in Chinese 0047 GMT 23 Jun 81

[Excerpts] Beijing, 23 Jun (XINHUA)--The number of housing projects completed in 1979-80 in cities in our country covers more than 85 million square meters of floor space, equivalent to 23 percent of the housing area added to the cities in 31 years since the founding of new China; other facilities in the cities have also increased by a fair margin. These figures were announced recently at a national forum of directors of urban construction bureaus by a responsible comrade of the National Urban Construction General Bureau.

The party Central Committee and the State Council have adopted a series of effective measures in recent years to strengthen urban construction and to improve the urban people's livelihood. State investment in nonproductive construction such as housing, waterworks and public transportation facilities has increased year by year accounting for over 1/5 of investments in capital construction in 1980.

In 1980 construction of city streets increased by more than 1,000 kilometers while waterworks capacity increased by 2.65 million dun. There has been an increase in gas supplies, in green-belt areas as well as in environmental sanitation facilities. The number of buses and trolley cars has also increased by more than 6,200 in the past 2 years.

By 1980, tremendous progress had been made in housing construction and public utilities in cities throughout the country compared with 1949: Floor space in housing construction increased from 270 million square meters to 640 million square meters, or an increase of 1.37 fold; the daily water supplying capacity of waterworks increased from 2.4 million dun to 29.79 million dun, an increase of 11.4 fold.

The number of buses and trolley cars increased from 2,292 to over 32,000, an increase of 13 fold. The supply of gas, natural gas and liquified petroleum gas increased from 38.21 million cubic meters annually to 2.544 billion cubic meters, an increase of 65.6 fold [figures as received]. Road mileage increased from 11,127 kilometers to 29,485 kilometers, an increase of 1.65 fold. Sewers increased from 6,035 kilometers to 21,860 kilometers, an increase of 2.6 fold.

Comrades attending the meeting proposed that cadres in urban construction departments should further implement the guidelines of the 3d Plenary Session of the 11th CCP Central Committee and make concerted efforts, together with other departments concerned, to improve city planning, construction and management and to build our cities step by step into modern civilized and clean socialist cities, harmoniously equipped with various facilities.

XINHUA REPORTS ON FILM 'ODE TO PIONEERS'

OW211148 Beijing XINHUA Domestic Service in Chinese 1305 GMT 19 Jun 81

[Report by XINHUA reporter Li Derun: "Without the CCP There Would Be No New China--An Introduction to the Documentary Film 'Ode to Pioneers'"]

[Excerpts] Beijing, 19 Jun (XINHUA)--Without the CCP there would be no new China; without bloodshed and sacrifice the socialist motherland could not have become what it is today. This is the truth the full-length documentary film "Ode to Pioneers" has revealed to people.

The time from the old China to the new was only an instant in the long process of history. However, the Chinese people traveled a long, tortuous road and numerous revolutionary pioneers waged heroic struggles for generations and laid down their lives for vitalizing China and for freeing the Chinese nation from the fate of being trampled upon.

Lin Zecu led militiamen in putting up a heroic resistance against the enemy in 1840. Dr Sun Yat-sen led the revolution of 1911. What was the truth? Where was the way out for China? Under the influence of the October Revolution, the advanced people represented by Li Dazhao, Mao Zedong and others found the truth and the way out in Marxist-Leninist theory. Thus, the CCP was founded in July 1921.

This film shows some early communist activities. Deng Zhongxia disseminated Marxism-Leninism in mines and factories and along railways to arouse workers. Su Shaozheng led a seamen's strike in Guangzhou and Hong Kong and Liu Shaoqi went to Anyuan to arouse coal miners.

Under the party's leadership, the peasantry also awakened and organized peasant associations one after another. The film shows its audience how Peng Pai organized the first peasant association in Haifeng County.

The Kuomintang cooperated with the CCP in 1924 for the first time. Then appearing in a scene of the film are Li Dazhao, one of the CCP founders, and Dr Sun Yat-sen, a revolutionary forerunner, excitedly stepping out of a conference hall side by side. This is a very precious historical scene.

During the great revolution, Zhou Enlai, in his prime, was working hard day and night to build a revolutionary armed force. Also appearing on the screen are the bright and brave Soong Ching Ling and He Xiangning.

The revolution suffered setbacks in 1927 when Chiang Kai-shek betrayed it. One scene of the film shows noble-minded patriots dying a heroic death during the "12 April" slaughter.

In those extremely dark years, tens of thousands of communists, noble-minded patriots, workers and peasants laid down their lives, but the raging flames of the revolution could not be stamped out. Mao Zedong led the peasants involved in the insurrection into the Jinggang mountains where he built the first revolutionary base area for the workers' and peasants' Red Army. Later, the workers' and peasants' Red Army, under the leadership of the party Central Committee and Chairman Mao Zedong, undertook the world-shaking 25,000-li Long March. Thus, the revolution took a turn for the better and was out of danger. Xu Teli, although in his sixties, unswervingly strode ahead during the Long March. Commander in Chief Zhu De crossed boundless grassland three times.

The film finally raises these thought-provoking questions: Young friends, do you understand our past? Do you realize that the happy life under the sunshine of new China has not come easily? How should the old, the middle-aged and the young lead their lives in new China? We should answer these questions before the spirits of our martyrs.

LATE REPORT: LI XIANNIAN DENIES CCP PLENUM OPENED

OW231221 Hong Kong AFP in English 1219 GMT 23 Jun 81

[Text] Beijing, 23 Jun--The plenary session of the Chinese Communist Party Central Committee has not yet officially opened, despite reports to the contrary circulating here. This was reported by Lothar Spaeth, visiting prime minister of the West German Land (state) of Baden-Wurttemberg, who said he was quoting one of China's most senior officials.

The official, Chinese Party Vice-Chairman Li Xiannian, was quoted as saying that "meetings" concerning the plenum were currently under way. At the weekend, diplomatic sources had cited highly-placed Chinese sources as saying that the plenum opened Saturday.

XUE MUQIAO ARTICLE ON PRC'S ECONOMIC STRUCTURE

OW221153 Shanghai City Service in Mandarin 2300 GMT 21 Jun 81

[Text] According to SHIJIE JINGJI DAOBAO, in a recent article on the direction for the development of our country's economic structure, noted economist Xue Muqiao pointed out: We should restore key cities as the economic centers to substitute for the system of economic management by separate provinces.

Xue Muqiao's article entitled "Correctly Handle the Relationship Between Readjustment and Restructuring" was published in QIYE GUANLI [0120 2814 4619 3810], No 3 in Beijing.

The article says: In the past, Shanghai was the economic center of the country. Tianjin of north China and Guangzhou of south China. In addition, there were some medium- and small-sized economic centers. These centers which had contacts with one another formed the economic network of the country.

Ten West European countries have formed a common market, but our country has been divided into more than 20 regions, with each developing its own economy. This cannot meet the requirements of socialized large-scale production. Shanghai and other big cities should make investment in other provinces and better organize joint enterprises with them. In this way, it will be possible to narrow the difference between regions and support the economic construction of less developed regions with the manpower, material and financial resources of advanced regions.

Xue Muqiao holds: Now there is little room for further development within the boundaries of Shanghai. Therefore, development should be geared to the needs of rural areas and various provinces and to the need for exports to foreign countries.

BRIEFS

ANHUI CIVIL AVIATION--Anhui Province has made headway in promoting civil aviation. It now has 2 provincial air routes linking Hefei with Tunxi and Fuyang and 5 national air routes linking the provincial capital with Beijing, Shanghai, Hangzhou, Wuhan and Jinan with 40 flights weekly transporting between 20,000 and 30,000 passengers annually. IL-14 passenger aircraft serve provincial air routes and Trident aircraft serve national routes. Aircraft are also used in agriculture, aerial photography and geological survey. [Hefei Anhui Provincial Service in Mandarin 1100 GMT 20 Jun 81 OW]

SHANDONG COUNTY-LEVEL ELECTIONS--Shandong Province has virtually completed its county-level direct elections. According to statistics compiled in mid-May by departments concerned, of the province's 132 county-level units, 131 had elected the people's deputies, 116 of which had convened people's congresses. According to the results of direct elections held in 108 units, 95 percent of 636 elected county heads and deputy county heads and district heads and deputy district heads are young and middle-aged cadres, 92 percent have a middle school education and 13 percent have a college education. [Jinan Shandong Provincial Service in Mandarin 2300 GMT 20 Jun 81 SK]

SHANDONG LOCAL COLLIERIES' OUTPUT--As of 11 June, the collieries run by prefectures, counties and communes throughout Shandong Province prefulfilled and overfulfilled their first half raw coal production plan by 19 days and 8,000 tons. As of 31 May, they had prefulfilled and overfulfilled their first half exploration footage plan by 30 days and 1,000 meters. In addition, their workers' death rate was 16.2 percent lower than that in the corresponding 1980 period. (Jinan Shandong Provincial Service in Mandarin 2300 GMT 21 Jun 81 SK)

ZHEJIANG SPRING CROPS--As of 15 June 1981, Zhejiang had procured 367 million jin of wheat and other spring crops, 88 million jin more than 1980, overfulfilling the procurement target by 6 percent. [Hangzhou Zhejiang Provincial Service in Mandarin 1040 GMT 19 Jun 81 OW]

GUANGXI MUNICIPAL COURT PUNISHES CRIMINAL CLIQUE

HK221402 Nanning Guangxi Regional Service in Mandarin 1100 GMT 18 Jun 81

[Text] The Guilin Municipal Intermediate People's Court held a 10,000-people rally at the Guilin municipal people's stadium at 0830 to pass sentences on a clique which carried out two bank robberies and the theft of militia guns. The court sentenced the 14 criminals to the death penalty, life imprisonment and term imprisonment respectively. One of the principal criminals, (Li Fengcai), received the death penalty and was immediately executed. Another principal criminal, (Xiong Zishan), in the same case, received the death penalty with a 2-year reprieve and was deprived of political rights for life. Another principal criminal, (Wu Guixian), received life imprisonment and was deprived of political rights for life. The other 11 criminals received sentences ranging from 7 to 20 years' imprisonment.

On 18 June 1980 and 7 January 1981, this criminal clique used grenades, a submachine gun, semiautomatic rifles, explosives and daggers to rob the (Yuejin) savings bank of the Guilin municipal branch of the People's Bank and the (Daxi) office of the Lingchuan County branch of the Agricultural Bank of China. They took cash totaling 18,382 yuan. On 25 October 1980, they stole a submachine gun and eight semiautomatic rifles from the (Hongxing) brigade militia battalion, (Zhumu) commune in the suburb of Guilin Municipality. They recently stole precious cultural relics from a state treasure house, Prince (Xinxiang's) tomb of the Ming Dynasty. They committed innumerable crimes and popular indignation was extremely great.

The masses strongly demanded that the organs of the dictatorship uphold state law and discipline and severely sanction and strike blows at this criminal clique. In close coordination with departments concerned, the public security organs of Guilin Prefecture and municipality and Lingchuan County cracked these three big cases. From 6 to 13 April, the Guilin Municipal Intermediate People's Court took a week to openly try these cases in the Guilin municipal people's hall. Some of the accused refused to accept the court decisions. After studying their appeal, the autonomous regional Higher People's Court reviewed the cases and rejected their appeal so that these criminal elements were given the legal sanction which they deserved.

RENNMIN RIBAO DISCUSSES HUNAN RURAL SITUATION

HK220245 Beijing RENMIN RIBAO in Chinese 5 Jun 81 p 2

[Article by Wang Shoudao [3769 7445 6670]: "The Responsibility Systems Have Brought New Vitality to the Rural Areas of Hunan--Report of an Investigation of Several Prefectures and Counties in Hunan"--capitalized passages published in boldface]

[Text] Editor's note: This investigation by Comrade Wang Shaodao vividly reflects the present excellent situation in the countryside. Though he only writes of what he has seen and heard in Hunan, this article in fact gives us a picture of the rural areas throughout the country, at least a greater part of it. This investigation also enlightens and tells us why we have to institute production responsibility systems in the rural areas. In the past, many of our comrades were unable to clearly understand the underlying reasons. This shows that unpretentiously going deep among the masses and into the realities of life to investigate new circumstances and study new problems is indeed the best way to overcome bureaucracy and red tape, develop our leadership ability and improve leadership. It is hoped that more leading comrades will do the same. [end editor's note]

Between late March and mid-April, I visited Taoyuan, Yiyang, Zhuzhou, Youxian, Yueyang, Ningxiang and other places in Hunan Province and had interviews in rural communes and brigades and peasant households. I also had discussions with local cadres in charge of rural work and conducted on-the-spot investigations on the work of instituting and improving production responsibility systems in the countryside and on experiences gained.

Since the 3d Plenary Session of the 11th CCP Central Committee, different localities in Hunan have set about rectifying the leftist mistakes committed over the years and made important changes in the rural policy in light of actual work after correctly summing up positive and negative experiences. In accordance with their own will and aspirations, the broad masses of peasants have chosen for themselves the system of responsibility in production, a form of management which tallies with the actual conditions in the countryside, to arouse their enthusiasm for production. The present situation in rural Hunan has rarely been this good in more than 20 years.

The Party's Rural Policy Is Welcomed by the Masses

Most of the localities have adhered to the principles of suiting measures to local conditions and letting the masses make their own choice in instituting responsibility systems in agricultural production. The forums they have adopted are flexible and varied. They have the system of assigning responsibilities to each work group, household or laborer with remuneration linked to output or output value, the system of fixing output quotas for each household, the system of assigning full responsibilities and so on. The impact and scope of the production responsibility systems are expanding all the time. When they were first instituted 2 years ago, they were limited to farming and animal husbandry. Now they are also instituted in commune- and brigade-run enterprises, the handicraft industry and sideline production.

As reflected in various localities, the institution of the production responsibility systems has brought about new changes in the countryside. THIS IS THE THIRD UPSURGE IN AGRICULTURAL PRODUCTION AFTER THE LAND REFORM AND THE COOPERATIVE MOVEMENT. THE PEASANTS' ENTHUSIASM FOR LABOR IS RISING TO AN UNPRECEDENTED HEIGHT, AND THE ATTENDANCE RATE, THE AMOUNT OF MANURE APPLIED AND THE ACREAGE OF ARABLE LAND NEWLY ACQUIRED ALL TOP THE PREVIOUS YEARS. According to incomplete statistics compiled by Yueyang Prefecture, in the months of February and March, the peasants raised more than 9 million yuan in production funds, purchased 5,116 heads of farm cattle from the state, and bought 51,000 pieces of medium-sized and small farm implements and more than 480,000 dan of chemical fertilizers. Some old peasants spent the money they had been saving for the past 10 years for their own funeral expenses on chemical fertilizers. Some postponed their daughters' wedding dates and spent the money for buying trousseaus on chemical fertilizers. Some took out the money they had saved for the purpose of buying wristwatches for their spouses and spent it on chemical fertilizers and farm implements. The production responsibility systems have given the peasants an urge to actively develop production in depth and in breadth, carry out intensive cultivation and stress efficiency and quality. More and more people are now "doing embroidery" in the fields, on the land and in the mountains. Relying on science to raise per-unit yield has become the pressing demand of the broad masses of the peasants. In the past, it was the older people who carried out actual plowing. The young ones only took care of the odds and ends. As a result, many farming techniques were lost. Today, model workers have regained their prestige and deft hands in farming are again respected. Youxian has fostered models in such fields of production as paddy, fish breeding, cotton, rapeseed, forestry, tangerine, tea oil, hot pepper and yam bean throughout the county. Advanced farming techniques are learned with eagerness and agrotechnicians are welcomed everywhere. People all wait to listen to the science lectures and weather forecasts. A commune agrotechnical station in Yueyang County put up a poster advertising a forthcoming lecture on seed breeding techniques. When the lecture took place, more than 700 people showed up. Some old hands even brought their grandchildren along to take notes for them. One of the brigades used to have three loudspeakers. Later, two were demolished because the peasants found them a nuisance. Now they have been restored because the peasants want to listen to the science lectures and weather forecasts. At a commune-sponsored training class on the techniques of seed soaking and breeding intended for brigade cadres and production team leaders alone, some 2,870 people showed up to listen in. In Pingjiang County's Xinhua book store, 79,000 copies of books on agrotechnology were published in the month of March alone. Many popular science books on agricultural production were sold out as soon as they arrived at the book store.

The Way To Make the Country and People Rich

For the sake of clearly understanding why the production responsibility systems are welcomed by the broad masses of peasants, we have conducted an investigation into such fields as grain production, peasants' income and rural economic conditions.

Grain is the key production item that influences the rural economy. Increases or decreases in grain output will have a great bearing on the national economy and the life of the broad masses of peasants. In the investigation, we discovered that those communes and production brigades which instituted the production responsibility systems generally had a greater increase in grain output, an increase in peasants' income and the beginning of a flourishing and vigorous .. al economy.

Wangling commune of Youxian County has 287 production teams. Of the 159 production teams which adhered to the principle of remuneration linked to rice output last year, each increased production by an average of 290 jin a mu. Whereas, the 128 production teams which did not adhere to the principle of remuneration linked to output, each only increased production by an average of 214 jin a mu. We investigated 12 production teams in Yueyang Prefecture and a total of 63 production teams under 7 production brigades belonging to Sicun and Daping in Pingjiang County, Nanshan in Huarong County and 4 communes by the Wu Jiang in Yueyang County. Of the 51 production teams which had not instituted the system of assigning responsibilities to each laborer with remuneration linked to output, some 42 production teams suffered decreases in output as a result of disasters and only 9 maintained the same output or achieved a slightly higher output. However, although the 12 production teams which instituted the system of assigning responsibilities to each laborer with remuneration linked to output suffered as many disasters and had the same kind of people and land, they not only showed increased output and income, but also showed increases which surprisingly exceeded the best year in history. The Bazishao commune of Yiyang County has instituted the responsibility systems of linking remuneration to output since 1978. From 1978 to 1980, total grain output in the whole commune increased by 122.6 percent (the total rate of increase for grain in the whole county from 1978 to 1980 was 52 percent). However, the Tianchengyuan commune of this county (the place where the county party secretary elected to stay to help improve work) did not institute the production responsibility systems. The whole commune showed a decrease in production of 980,000 jin in 1980.

BECAUSE THE PRODUCTION RESPONSIBILITY SYSTEMS HAVE CLOSELY LINKED UP THE FRUITS OF PRODUCTION WITH THE IMMEDIATE INTERESTS OF THE PEASANTS AND IMPLEMENTED THE PRINCIPLE OF DISTRIBUTION ACCORDING TO WORK, THE ENTHUSIASM OF THE BROAD MASSES OF PEASANTS FOR PRODUCTION HAS BEEN AROUSED.

The increase in grain output has also resulted in an increase in the individual income of the peasants. Their standard of living improved and they have more grain reserves and savings. Their living conditions and purchasing power have improved and a flourishing scene has appeared in the rural economy. The Jiangnan production brigade of Shangyunqiao commune in Youxian County has 164 households consisting of 667 people. Collective distributed income averaged 302.5 yuan a person. The whole production brigade has personal savings amounting to 100,000 yuan in the credit cooperative, or an average of 140 yuan per person. We visited the family of Pi Desheng of the Zhaojiapu production team of this production brigade. His family of 8 received a distribution of 6,550 jin of grain ration last year, 1,642 yuan in cash, 80 jin of tea-seed oil and 8 jin of cotton. Last year, the production brigade also distributed such nonstaple foodstuffs as meat and fish on holidays. They lived in a two-storied new house with three rooms on each floor built by the production team. They have also a storehouse and pigpen behind the house. There is also a radio and a sewing machine in the house. According to the cadre of the production team who was showing us around, his is only a middle-level family in the production team.

In all the places we visited this time, we saw smiling faces and ample food and clothing everywhere. We feel that the peasants are now really becoming affluent and the rural economy has initially been invigorated. The situation in the countryside is far better than we imagined. In our investigation, the cadres and the masses of peasants have attributed their higher income and improved life to the 3d Plenary Session of the 11th CCP Central Committee, the two documents on agriculture and the series of brilliant policy decisions. They all praised: "Linking with output is like linking with the heart; the responsibility systems produce gold." Some said: "The responsibility systems develop people's abilities, the land's potentials and the way to riches."

A Form of Management Really Suited to Actual Conditions in the Countryside

In the 20 years since the collectivization of agriculture, our comrades engaged in rural work have been troubled by the fact that they could not find a form of management really suitable for the countryside. Now, we have finally discovered this method in the production responsibility systems. Comrades of all prefectoral and county party committees are enthusiastically discussing the merits of the production responsibility systems. At present, we are summing up the following firsthand materials.

1. SUITED TO THE PRESENT LEVEL OF AGRICULTURAL PRODUCTIVE FORCES. At the present stage, apart from a certain degree of mechanization and semimechanization in such tools of agricultural production as irrigation, threshing, processing and transportation, farm-work in the paddyfields must still basically rely on "plowing and hoeing, hand-planting and foot-pedalling and using the carrying pole." Most farmwork is suitable for individual operation by the laborer. Under the condition where manual labor is mainly used, the amount of material wealth produced is mostly determined by the most vigorous and active factor in productive forces, namely, the relative enthusiasm of the laborer. Moreover, the institution of the production responsibility systems will not only take full advantage of the tools of production, but will also give full play to the enthusiasm of the laborers in particular.

2. SUITED TO THE SPECIFIC CONDITION OF "OPEN-AIR FACTORY" OF AGRICULTURAL PRODUCTIVE FORCES. Agricultural production has a strong seasonal aspect as well as such diversified properties as crops, breeds, soil conditions, soil fertility and the continuity of the production process. In addition, there is also an immense variety of geographical conditions and ever-changing climatic conditions. As a result, every link in the various stages of development, growth and ripening is controlled by nature. At present, man has still very little control over nature, so we must mainly rely on every individual laborer paying proper attention to such matters as water, fertilizer, soil, seed, climate, sunshine and temperature in a manner suited to the time and local conditions and take extra care so as to obtain the best harvest. Only by instituting the production responsibility systems can this be more properly carried out.

3. SUITED TO THE BASIC CHARACTERISTICS THAT CHINA HAS A HUGE POPULATION BUT LITTLE LAND. According to the statistics of the several prefectures and communes we visited this time, they do not have much arable land per capita and there is a great deal of surplus labor in the countryside. For a long time, we have been concentrating most of our labor force in the countryside on the limited amount of arable land, and moreover, most of our arable land has also been mainly used for the growing of grain crops. Single-crop farming has forced out diversified economy and family sideline production and the burden of the peasants is heavy. Under these conditions, only by instituting the production responsibility systems to bring into play the enthusiasm and responsibility of the peasants and make the laborers show the same kind of responsibility they have shown to the tending of their private plots will they pay more attention to the limited amount of land they have, do more work, add more fertilizer and plant more carefully and strive for high yields and bumper harvests. At the same time, we can use diversified economy and family sideline production to provide more job opportunities for the enormous amount of surplus labor, part-time labor and auxiliary labor and quickly increase production, commercial goods and income. This will be advantageous to the commercialization and specialization of agricultural production.

4. ECONOMIC CONDITIONS SUITED TO EXISTING PUBLIC AND PRIVATE ECONOMIES IN THE COUNTRY-SIDE ARE INCREASED. Sources of income for the peasant economy at its current stage are: 1) remuneration for collective labor; and 2) income from private plots and family sideline production. According to an estimate based on an investigation, the former generally accounts for 60 to 70 percent, while the latter represents 30 to 40 percent. With the relaxation of the rural economic policy, the proportion represented by the latter will gradually increase. Thus, there naturally exist contradictions between collective production and individual peasant production in regard to concentration of attention, contribution of work, contribution of fertilizer, and so forth. In the past, whether a team effort or group effort, overall arrangements were made for labor control. Priority was also given to collective production in the distribution of fertilizer. Peasants often could not take care of both private and public needs at the same time. This sometimes interfered with collective production. Individual production especially suffered. This aroused great dissatisfaction on the part of peasants. The introduction of the production responsibility systems allows overall proper arrangements for the two kinds of economies. Rational arrangements are made for the contribution of both work and fertilizer, satisfying all parties concerned.

5. PROPER ATTENTION IS PAID TO SUCH FEATURES AS THE DISTRIBUTION OF PEASANTS OVER WIDELY SCATTERED AREAS, THEIR DIFFERENT LIVING HABITS AND THEIR DIFFERENT WORKING HOURS. Our country has a varied topography. Mountainous and hilly areas, flat lands, rivers, and lakes abound. The formation of arable areas is dictated by nature. Peasants settle down where they can farm and follow their own habits. Some form into villages. Some live by themselves as separate households. Peasant families have more or fewer people. Household work may be heavy or light. Workers may be strong or weak. Living habits and working hours can hardly follow a uniform pattern as in a city. In the past, labor was subjected to overall arrangements, fertilizer to state collection and distribution, crops to state crop-growing and control plans and products to state collection and storage. It was extremely inconvenient for peasants to concentrate on labor and production. Their having to go back and forth between areas was a waste of time and manpower. With the introduction of the production responsibility systems, laborers are directly linked with their fields near at hand. There is no imposition of a fixed number of workers, nor is there any fixed time for work. They can do more or less work, as circumstances permit. They can work when it is good weather and stay at home when it rains. They can combine labor with proper rest. They can arrange their time to suit their own convenience, going to a fair, visiting friends and relatives, doing household work, or attending weddings or funeral services.

ACTUAL EXPERIENCE IN THE PAST 2 YEARS SHOWS THAT SUCH A PRODUCTION RELATIONSHIP AS THE PRODUCTION RESPONSIBILITY SYSTEMS IS ENTIRELY SUITED FOR THE EXISTING LEVEL OF AGRICULTURAL PRODUCTIVITY AND IS ALSO CAPABLE OF STIMULATING THE DEVELOPMENT OF AGRICULTURAL PRODUCTION TO THE FULLEST EXTENT.

Sum Up Experiences, Solve Contradictions and Continuously Advance

The general situation concerning the introduction of the production responsibility systems is satisfactory. But no new social practice can be all smooth sailing.

The countryside of Hunan also followed a tortuous road in introducing the production responsibility systems. As early as 1978, some communes and brigades spontaneously engaged in experiments on their own. They achieved good results, which made a very convincing case. But some comrades were afraid of this and that and opposed the introduction of the production responsibility systems. They had three fears. The first was that introducing the production responsibility systems might result in distributing fields for cultivation on an individual basis and was likely to create confusion. Another fear was that an enlarged scope for a diversified economy might have an unfavorable effect on the effort to take grain as the key link. The third fear was that the development of commodity production might create gaps and lead to competition and a deviation from the socialist path.

Since the third plenary session of the party Central Committee, the party Central Committee has drawn up a series of rural policies compatible with reality, which have received heartfelt support from the masses of peasants. However, many leading comrades in Hunan still do not quite understand the spirit of the third plenary session and the party Central Committee's policies on agriculture. The provincial party committee's indecisiveness in introducing the production responsibility systems shows that the influence of "leftist" thinking still runs strong. Those cadres above forbid its implementation but the masses below want it introduced. The ideological state that for a time existed among the cadres and the masses was well described in a couplet popular among the masses. The first line of the couplet reads: "With barriers created at every level and retreat made at every turn, cadres have become increasingly passive." The next line was: "With increased production in every field and a bumper harvest every year, the masses have become increasingly satisfied." The production responsibility systems have become the center of widespread public opinion and activity in the countryside. The peasants want to introduce the production responsibility systems. Practice has again shown that it is an incentive to increased production. What reasons do we have for not implementing the systems persistently?

In our visit to several areas, we noted that, through practice, many comrades have raised their awareness. They no longer worry and are relaxed and are no longer an obstacle but a guide. Through mass discussion, production responsibility systems in various forms have been introduced. But due to delayed action and slow progress, some comrades have not fully understood the responsibility system introduced within the framework of the collective economy--a system calling for unified operation and production based on group, household or individual labor. They have equated this system with the distribution of land for cultivation on an individual basis--a system that deviates from the collective system. They are therefore filled with worry and full of misgivings. They even adopt an attitude of letting things take their own course and stand on the sideline, doing nothing. This has created ideological confusion in certain respects. Some areas have witnessed the random distribution of collective property. There has also been a situation which indiscriminately holds every individual responsible for a given plot of land, regardless of whether he has the required physical strength or not. Therefore, an urgent task confronts us to seriously sum up actual experiences at an earlier stage. We must further unify awareness, strengthen leadership and actively help the masses to improve and develop the various responsibility systems.

We found that the Qinglian production team of the Dongwu brigade of Dongwushan commune, Ningxiang County had improved on the responsibility system calling for dividing special trades into separate groups and linking production with remuneration and developed instead a relatively advanced version calling for dividing special trades into separate groups and basing remuneration on net income. Such a method makes it easier to achieve a rational balance in remuneration between all trades and businesses and realize the principle of distribution according to labor. It arouses the masses of peasants to show concern for production and to pay attention to improving product quality, strengthening economic accounting, lowering production costs and simplifying accounting procedures. After introducing such a responsibility system for less than 1 year, the Qinglian production team achieved remarkable economic results. The total grain output of the team and its income from all trades and businesses reached the best levels in history. Its economic composition became more rational. The whole team had only 40 percent of its labor devoted to grain production. Per-mu grain output was nearly 2,000 jin, with the average grain output per head exceeding 1 ton. Sixty percent of the team's labor was devoted to multiple undertakings which brought a total of over 90,000 yuan in output value, representing around half of the team's total income. Its collective accumulated funds and its contributions to the state registered increases. The average income for each person of the whole team rose from 202 yuan last year to 250 yuan. This fully shows the great superiority of such a responsibility system.

The team's experience in strengthening and improving the production responsibility system is worth being emulated by us. THE INTRODUCTION OF PRODUCTION RESPONSIBILITY SYSTEMS IS A MAJOR READJUSTMENT WHERE THE RELATIONS OF PRODUCTION IN THE COUNTRYSIDE ARE CONCERNED. MANY CONTRADICTIONS AND PROBLEMS REMAIN TO BE URGENTLY STUDIED AND HANDLED. IN HANDLING PROBLEMS AND CONTRADICTIONS, WE MUST TAKE A POSITIVE ATTITUDE. CADRES MUST STAY IN THE FOREFRONT AND STRENGTHEN LEADERSHIP OVER BRIGADES AND PRODUCTION TEAMS. WITH RESPONSIBILITY SYSTEMS INTRODUCED, CADRES DO NOT HAVE THEIR BURDEN LIGHTENED. THEY MUST DARE TO EXERCISE LEADERSHIP, BE GOOD AT EXERCISING LEADERSHIP AND LEAD THE PEASANT MASSES IN FOLLOWING THE BROAD SOCIALIST PATH TO COMMON PROSPERITY.

HAINAN MEETING ON CHEN YUN'S ECONOMIC THEORY

HK220348 Haikou Hainan Island Regional Service in Mandarin 0330 GMT 21 Jun 81

[Excerpts] The propaganda department of the Hainan Regional CCP Committee recently convened a study meeting on economic theory. The participants studied Comrade Chen Yun's economic theories and looked into propaganda work for the second half of the year.

The participants held: Comrade Chen Yun's "Selected Articles" and his speech at the at the central work conference last December have scientifically summed up the experiences and lessons in economic work since the founding of the state. Comrade Chen Yun has led financial and economic work in our country for a long time. He has implemented a model way the principle of seeking truth from facts consistently advocated by Comrade Mao Zedong. Comrade Chen Yun's economic thought is a component part of Mao Zedong Thought. The series of socialist economic theories and policies put forward by Comrade Chen Yun by proceeding from China's economic characteristics and actual conditions were not only correct and practical at the time but are still of practical significance today. For instance, in light of the law that the production relations must conform to the nature and level of the productive force, Comrade Chen Yun advocated after the basic completion of China's socialist transformation that various different economic components should exist together and proposed adopting a variety of management methods, meaning that in industry and commerce, state and collective management should be the principal part and individual management should be a supplement; planned production should be the principal part and free production a supplement; and the state markets should be the principal part and the free markets a supplement. These three principal parts and three supplements are very suited to China's national condition and to the current level of productive force.

In the past we ran counter to these things, with the result that the development of China's productive force was seriously hampered. The series of economic policies laid down by the party since the 3d plenary session of the 11th Central Committee are identical with Comrade Chen Yun's proposals of 20 years before. Practice has proven that these economic policies have greatly stimulated the development of the productive force. They have thus been welcomed by the masses. By studying Comrade Chen Yun's economic thought, we can enhance our understanding of objective economic laws, deepen our comprehension of the line, principles and policies of the third plenary session, and overcome the influence of leftist thought which formed over a long time. In future economic work we can therefore reduce blind actions and enhance awareness, and thus better stimulate the cause of socialist modernization.

The meeting stressed that it is necessary to get a good grasp of the following points in propaganda work in the second half of the year:

1. Around the 60th anniversary of the founding of the CCP, it is necessary to organize the party members, cadres and masses to seriously study the important articles published by the Central Committee and the important speeches of leading comrades of the Central Committee. At the same time we must make very good use of materials on local party history to conduct education in the revolutionary traditions.

2. We must strive to initially finish reading Comrade Chen Yun's "Selected Articles" and Comrade Xue Muqiao's "Study of Problems of China's Socialist Economy" before the end of the year. In our study, we must get a good grasp of the principle of linking theory with reality. We must study practical problems in economic work and answer them as far as possible. All cadres should study economic theory. This is particularly so for cadres, especially leading cadres, engaged in financial and economic work.

3. We must conduct deepgoing education in socialism, patriotism and collectivism and in spiritual civilization.

The meeting pointed out: Rural propaganda work must suit the needs of the new situation. Since the rural areas in Hainan have set up various types of production responsibility systems, certain methods of propaganda and study applied in the past do not work now and are not suited to the new situation. Hence, the cadres of the propaganda departments should go down to the basic levels to investigate and study and probe the rules of propaganda work in the rural areas, and find new and effective methods.

BRIEFS

HUBEI ANTIDROUGHT MEETING--The Standing Committee of the Hubei Provincial CCP Committee held an emergency meeting on 20 June to make arrangements for combating drought in rural areas. Participants said that leaders at various levels should go to the frontline to lead the antidrought struggle, and that all trades and professions should do their best to support this struggle. To ensure adequate energy supply for antidrought work, they urged, industrial and other departments should try to economize on electric power and fuel oil. Since mid-April, most parts of Hubei Province have been hit by a serious dry spell, and over 18 million mu of crops have been affected. [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 21 Jun 81 OW]

HUBEI BANK LOANS--Wuhan, 20 Jun (XINHUA)--The branch of the People's Bank of China in Wuhan gave 400 light and textile industry enterprises medium and short-term loans with a total of 74.29 million yuan for the procurement and installation of equipment and facilities during the period from the second half of 1979 to the first quarter of this year. By the end of the first quarter of this year, the investment has produced additional products with a total value of 326.84 million yuan. Those units turned a total of 39.78 million yuan to the state as profit and 19.76 million yuan to the state as tax by utilizing those loans. In addition, those units have already used profits to repay 15.27 million yuan to the bank. The bank followed the policy of giving more small and short-term loans than larger and longer loans in order to bring about quick results. [Beijing XINHUA Domestic Service in Chinese 0033 GMT 20 Jun 81 OW]

ECONOMIC RESPONSIBILITY SYSTEMS IN NEI MONGGOL

HK220716 Beijing RENMIN RIBAO in Chinese 12 Jun 81 p 1

[Commentator's article: "The Road Becomes Wider After One Gets Out of a Blind Alley"]

[Text] A good deal of enlightenment can be gained from the news that the leading comrades of the Nei Monggol autonomous regional party committee went deep into the rural and pastoral areas and helped the peasants and herdsmen there to sum up experience and explore the key problems for putting an end to backwardness.

For many years, Nei Monggol region blindly implemented the principle of "taking grain as the key link" and destroyed too many forests and grasslands to reclaim land. As a result, large areas of grassland became desert and the livelihood of peasants and herdsmen became very hard. The more they needed grain, the more they reclaimed land and the more desert and poverty resulted. The road becomes narrower and narrower once one enters such a blind alley. Since the 3d Plenary Session of the 11th CCP Central Committee, however, the people in Nei Monggol resolutely turned about, freed themselves from the shackles of stubborn ultraleftist thinking and boldly explored a new road. In as little as 2 or 3 years, they have already achieved delightful results.

The leading comrades of the Nei Monggol regional party committee travelled 3,000 li to sum up experiences with the peasants, herdsmen and grassroots cadres. They fostered and spread the simple and effective system of responsibility in production--fixing output quotas or assigning full responsibility to each household--which the peasants and herdsmen had discovered. This form of system of responsibility has aroused at one stroke the enthusiasm for production of millions of peasants and herdsmen. Take the present situation for example. Spring farming is done well and progresses quickly. Even those who oppose the fixing of output quotas for each household have praised it in surprise. Many old peasants who are over 50 hold that this is the second down-to-earth upsurge in production since the land reform and the early period of the cooperative movement. It is worth noticing even more that from a long-term point of view, the Nei Monggol regional party committee has firmly grasped the key link for thoroughly improving sluggish agricultural and animal husbandry development in Nei Monggol. The regional party committee has found a favorable cycle in turning poverty into wealth and getting out of the long-standing vicious cycle.

By vicious cycle, we mean that Nei Monggol Autonomous Region, which is mostly pastoral or part-agricultural and part-pastoral, has for many years, guided by fondness for the grandiose and public, blindly implemented the principle of "taking grain as the key link" and destroyed too many forests and grasslands. As a result of more desert and less rainfall, there has been more disaster caused by drought and hail. The grassland has become desert and the fields poorer. The grain ration per capita dropped from 1,038 jin a year in 1956 to 547 jin in 1978, while livestock declined from 2.17 head to 1.66 head per capita. Since implementing the principles of the 3d plenary session of the 11th Central Committee, especially since carrying out the principles of the No 75 document, things have become better.

The way to change a vicious cycle into the favorable cycle discovered by Nei Monggol can be seen in the following two aspects. First, economically, many production teams have freed themselves from poverty in only a year's time through instituting the system of responsibility of fixing output quotas for each household, which is welcomed and supported by the peasants and herdsmen. This is likely to put an end to the situation of depending upon grain bought back from the state and on relief and credit loans. The Nei Monggol regional party committee is determined to reduce or eliminate as soon as possible the need for buying back grain from the state in rural areas and use the grain so saved to support the planting of trees and grass, and the control of sand and wind, so as to bring about a fundamental change in Nei Monggol's natural environment.

Second, politically, since the peasants and herdsmen have removed various obstacles in their way, and the responsibility system of fixing output quotas for each household has spread irresistibly and shown its advantages in most districts, the peasants and herdsmen feel that they are masters in animal husbandry and cultivation and can decide their own destiny in production and construction and in economic management. They have realized that they are able to extricate themselves from the passive predicament of relying on the state and heaven, and their active spirit for combatting nature with their own hands is soaring higher and higher. Now in many communes and production brigades, the phenomenon of cadres deciding everything in the masses' production activities has greatly changed, and work for the grassroots cadres has been simplified. The fine work style of cadres leading production by taking part in it has really been developed. In the countryside, as democratic life inside and outside the party has become more lively, the leading system of the party and government is also in the process of minor reform. This democratic reform which is being carried out from above to below, will surely push forward the reform of the leading system of the party and government above communes and counties. It can be foreseen that the results will be much better if the past lessons of formalism and commandism in making a terrific din have been taken seriously, and such a down-to-earth way is continued step by step. It is worth special attention that as they promote their spirit of being masters by self-reliance and self-decision, the peasants and herdsmen will be able to gradually grasp the laws of agricultural production and animal husbandry and make the road wider by getting themselves out of the blind alley.

The bright future of Nei Monggol is very exciting.

BRIEFS

BEIJING VOCATIONAL EDUCATION--According to a Beijing RIBAO report, a meeting was held recently in Beijing Municipality to discuss the restructuring of secondary education. At the meeting, responsible persons of the municipal government stressed the need to develop vocational and technical education to train more technical manpower for the current modernization program. Besides public schools, private projects for training technical workers should be encouraged. Since last September, 52 middle schools and 57 enterprises in Beijing have jointly held 110 vocational training classes, covering 40 different specialties, with a total enrollment of more than 4,400 students. According to responsible persons of the municipal government, the present arrangement for vocational and technical education is far from sufficient, and further efforts are required. [Beijing Domestic Service in Mandarin 2230 GMT 18 Jun 81 OW]

SHANXI COAL GASIFICATION--Taiyuan, 10 Jun (XINHUA)--The Ministry of Coal Industry and Shanxi Province have established a coal gasification company in Taiyuan, capital of the province, which will open on October 1 and ultimately provide gas to 1.2 million people and area factories, according to the Taiyuan city authority. Shanxi has one-third of the country's coal reserves and last year produced one-fifth of its coal. The new gasification company will build a large coal mine, a large coal dressing plant, gasification and chemical recovery facilities and a pipeline network. It will also renovate five small coking coal mines. By-products of the chemical processes will be recovered for use in the chemical industry. The company is now building a coke oven and a small gasification project. The oven has an annual capacity of 400,000 tons. [Text] [Beijing XINHUA in English 1209 GMT 10 Jun 81 OW]

SHANXI COAL PRODUCTION--Taiyuan, 18 Jun (XINHUA)--By 17 June Shanxi Province had produced 54.96 million dun of coal, topping the semiannual state plan by 4.41 million dun, equivalent to 103 percent for the same period last year. From January to 17 June, local coal mines in the province produced more than 27.3 million dun of coal, topping the state plan by more than 3.5 million dun. [Beijing XINHUA Domestic Service in Chinese 1436 GMT 18 Jun 81 OW]

HEILONGJIANG ARTICLE VIEWS AGRICULTURAL ACHIEVEMENTS

SK230740 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 22 Jun 81

[*"Excerpts" of article by Heilongjiang provincial Deputy Governor Wang Caoli: "The Northern Wilderness Has Become a Big Granary"*]

[*Excerpts*] In the 31 years since the PRC's founding, vast numbers of peasants, farm workers and rural cadres, under the leadership of the Chinese Communist Party, have engaged in joint efforts and overcome many difficulties to reshape Heilongjiang, once a vast wasteland and a home for wild animals. It once was called a northern wilderness. Now it is being changed into a prosperous and fertile place producing many agricultural products for the state.

The province's farming acreage in 1949 was 85 million mu. In the past 30 years, we have added another 80 million mu of arable lands. As a result, farming acreage was 130 million mu in 1980, not counting those lands occupied by housing, a 60 percent increase over the 1949 figure. In 1949 grain output was 11.55 billion jin, and per-mu yield was 142 jin. In 1980 the grain output was 29.25 billion jin, and the per-mu yield was 266 jin, an increase of 150 percent in output and 87 percent in per-mu yield. This is a great contribution to the socialist construction of China. Over the past 31 years, our province's average marketable grain rate was 39 percent. Apart from meeting the needs of our province's urban areas, mining areas, oilfields and forest areas, we can annually give 210 million jin of grain to the state, enabling our province to become one of China's key marketable grain bases.

With the development of grain production, cash crops also markedly increased, especially after the third plenary session of the CCP Central Committee. In 1980 the output of beets was 5,700 dan, an increase of 18.5 fold over the 1949 figure; sugar, 310,000 tons, an increase of 45 fold; and minor oil-bearing crops, 4.8 million dan, an increase of nearly 12.5 fold.

The article notes: Owing to this production, the agricultural output value increased from 1.35 billion yuan in 1949 to 6.45 billion yuan in 1980. The average income of each commune member increased from 71.7 yuan in 1958 to 115 yuan in 1980.

A great change has taken place in the countryside. From the Heilong Jiang in the north to the Wusuli Jiang in the east, we can see fields, forest belts, farms and new villages. Vast wastelands and marshlands inaccessible to man for millions of years have become mechanized grain bases.

In 1949 our province's population was 10 million. In 1980 it reached 32 million, an increase of over 200 percent. In addition to supplying grain and farm and sideline products to the population, our province still can hand over a large amount of marketable grain to the state and provide many raw materials for industry and commodities for the market. This is a summary of our province's agricultural production in the past 30 years or so.

BRIEFS

HEILONGJIANG RICE TRANSPLANTATION--Heilongjiang Province has completed the rice transplantation. According to statistics, the province has transplanted more than 5 million mu of rice seedlings, surpassing the acreage in 1980 by almost 400,000 mu of paddies. [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 18 Jun 81 SK]

JILIN INDIVIDUAL BUSINESSES--Industry-commerce administrative departments throughout Jilin Province have vigorously supported the development of individual businesses. So far, 35,552 individual industrial and commercial households engaged in catering, repairing and other trades have been restored or established in the province. They have offered jobs to 40,827 persons, 3 times the 1965 figure. [Changchun Jilin Provincial Service in Mandarin 1100 GMT 7 Jun 81 SK]

I. 23 Jun 81

PRC REGIONAL AFFAIRS
NORTHWEST REGION

T 1

GANSU'S ACTING FIRST SECRETARY ADDRESSES CADRE FORUM

SK230728 Lanzhou Gansu Provincial Service in Mandarin 1125 GMT 22 Jun 81

[Excerpts] The organizational department under the Gansu Provincial CCP Committee recently sponsored a forum in Lanzhou Municipality to discuss ways to appraise and promote outstanding middle-aged and young cadres to leading posts. The forum urged party organizations at all levels to implement the policies in this regard on a crash basis and grasp well the work to appraise and promote outstanding middle-aged and young cadres. Efforts should be made to enable leading bodies at all levels to be staffed with personnel who are in the prime of life and who have specialized knowledge.

Since the 3d Plenary Session of the 11th CCP Central Committee, party organizations at all levels throughout the province have continued to eliminate the leftist ideological influence in the work to appraise and promote cadres and [words indistinct]. In appraising and promoting middle-aged and young cadres, our province has scored marked achievements. As of January 1981, our province promoted over 1,300 outstanding young cadres to leading positions and transferred over 440 veteran cadres to assistant or associate posts. The average age of leading cadres under the prefectoral, municipal and autonomous prefectural CCP committees is a year and a half younger than in 1979. And 27 percent of leading cadres among them have a senior middle school education.

The forum adopted a resolution that continuous efforts be made to grasp well the work to appraise and promote outstanding middle-aged and young cadres. It noted that the most important task is to enhance understanding of the work.

Feng Jixin, acting first secretary of the Gansu Provincial CCP Committee, attended and addressed the forum. He urged party committees at all levels to put the work to appraise and promote outstanding middle-aged and young cadres on the agenda. Personnel with primary responsibility should grasp the work in a down-to-earth manner and ensure that good results are achieved.

BRIEFS

QINGHAI BUILDING MATERIALS CONFERENCE--The recent Qinghai provincial building materials industrial work conference called for efforts to produce more building materials for rural and pastoral areas to meet the people's needs. Compared with 1978, 1980's cement output increased 64 percent; tiles and bricks, 67 percent. [Xining Qinghai Provincial Service in Mandarin 1100 GMT 15 Jun 81 SK]

SHAANXI SUMMER CROPS--Xian, 20 Jun (XINHUA)--The masses in Shaanxi reaped a bumper harvest of summer-ripening crops this year, including wheat and rapeseed. The total output of summer grains is estimated at about 7 billion jin, an increase of more than 30 percent over last year. The total output of rapeseed is expected to increase by more than 40 percent over last year. The success of agricultural production this year is due to good weather in most areas of this province and the implementation of production responsibility system. In addition, the masses have paid attention to farming by scientific methods. [Beijing XINHUA Domestic Service in Chinese 0040 GMT 20 Jun 81 OW]

SHAANXI TELEVISION RECEIVERS--Xian, 18 Jun (XINHUA)--Armymen and civilians in remote mountainous areas in Shaanxi, Gansu and Qinghai have been able to view Beijing or local television programs by means of the RS-type mountainous area television receiving unit. The size of a cigarette case, the unit was specially manufactured and installed for mountain inhabitants by the PLA Xian air force signals school. It is stable in performance, low in cost and easy to install. [Beijing XINHUA Domestic Service in Chinese 0056 GMT 18 Jun 81 OW]

I. 23 Jun 81

CHINA
HONG KONG MEDIA ON CHINA

W 1

JIEFANGJUN BAO ON SOVIET STRATEGIC WEAKNESSES

HK230131 Hong Kong WEN WEI PO in Chinese 23 Jun 81 p 1

[Report: "Soviet Strength Fails To Match Its Very Great Ambitions--JIEFANGJUN BAO on Weaknesses in Soviet Global Strategy"]

[Text] Beijing, 22 Jun (ZHONGGUO XINWENSHE)--JIEFANGJUN BAO points out today in an international review article entitled "Strength Fails To Match Very Great Ambitions," the ambitions of Soviet hegemonism are very great and it is currently stepping up its global offensive strategy to attain its ambition of dominating the world. However in the course of its blustering and aggressive offensive, the Soviet Union has also exposed many strategic weaknesses; it is therefore difficult for it to accomplish its ambition of dominating the world, because it is not strong enough.

The article says that over-extended battlelines and excessive burdens constitute a major weakness of Soviet hegemonism. In pushing its global hegemonist and expansionist policy, the Soviet Union stretches its hands everywhere, extends its battlelines to great lengths and has to cover very extensive areas; the burden on its back is getting heavier and heavier. On its western front, it controls its "little brothers" in East Europe and concentrates its main forces for confrontation against the West; on the eastern front, it has deployed major forces to counteract U.S. strength in the Pacific region and threaten Japan, while its "ambitions to finish off China have not died;" on the southern front, the areas penetrated and controlled by the Soviet Union extend from Angola in southern Africa to Ethiopia in the Horn of Africa, South Yemen in the Middle East, and Afghanistan in western Asia, stretching all the way to Southeast Asia. In Latin America, it has a forward base--Cuba--right at America's front door. On such an extended battleline, the Soviet Union has to pay a very great price for every step it advances.

The Soviet Union not only has to dispatch large numbers of troop reinforcements to these regions but also has to undertake extremely heavy economic and material "aid." The Soviet Union provides the Karmal regime with over \$10 million in aid each day. It has to "inject" \$6 million daily to support Vietnam in committing aggression against Kampuchea and opposing China, while its aid to Cuba totals \$4.5 billion a year. These "insatiable vegetable baskets" constitute a severe burden on the limping Soviet economy.

The article says that the crippling Soviet strategic weakness is that it faces the unfavorable situation of having to fight on two fronts. The Soviet Union is situated between West Europe and east Asia, and its strategic focus is Europe, but the NATO military bloc is directly confronting it there. On its eastern borders, the existence of socialist China and the confrontation with U.S.-Japanese strength also tie down large Soviet forces. The reason the Soviet Union has adopted a strategy of moving south and outflanking its opponents in recent years without making a move first on its eastern or western fronts is that it has certain misgivings that if it launches a large-scale war of aggression on its western or eastern fronts, it will not only come into direct conflict with its main opponents but will also move into an unfavorable situation whereby it has too many things to take care of at the same time and faces a war on two fronts.

The article goes on to point out that the Soviet Union naturally needs strong economic and military power as a basis for pursuing external aggression and expansion. However, the militarization of the national economy carried out by the Brezhnev clique has caused serious consequences for Soviet economic development and placed certain restrictions on Soviet expansion of armaments and preparation for war. Actual military spending has increased to about 40 percent of the state's financial expenditure. Large amounts of social wealth cannot be used for the process of reproduction. As a result the Soviet Union's economy is unbalanced and its growth rate has declined. This unfavorable economic outlook not only restricts the Soviet expansion of armaments and preparation for war but also intensifies various domestic contradictions in the country.

There is also a profound crisis in Soviet control over East Europe. The Polish crisis since last August has made Moscow very uneasy, since it is deeply afraid of a chain reaction in the East European countries. Tumult in the "backyard" is the Soviet Union's fear of disturbance in its rear.

The article says in conclusion that the full revelation of the features of Soviet hegemonism has heightened the world's vigilance against it and has also made it internationally isolated to an unprecedented extent. If the peoples of the world unite to oppose hegemonism and wage a tit-for-tat struggle against it, the Soviet Union's schemes for aggression and expansion will be disrupted and its global strategy will be unattainable.

XI ZHONGXUN TO BE APPOINTED GENERAL SECRETARY

HK230149 Hong Kong CHENG MING JIH PAO in Chinese 23 Jun 81 p 1

[Dispatch from Beijing: "Xi Zhongxun Will Be Appointed General Secretary"]

[Text] The preparatory meeting for the CCP sixth plenary session has now concluded, and the session is about to be convened.

According to reliable informed sources, the preparatory meeting went very smoothly. It had been anticipated that there would be both open strife and veiled struggle over the issues of personnel and evaluation of Mao. Unexpectedly, however, it seems that the meeting solved both these major problems without argument. Tranquillity prevails at the meeting site in the Jingxi guesthouse, a "military closed area."

It is certain that Hua Guofeng will be replaced as party chairman by Hu Yaobang. Who will replace Hu Yaobang in his former post of general secretary? According to informed sources, Xi Zhongxun has now become the candidate for the post. This news will be conveyed from Beijing to the world in 3 to 5 days (beginning 23 June).

A problem remaining is: What post should Hua Guofeng hold? According to his abilities, his "leftist" thinking and his recent conduct, he is not qualified to be a party vice chairman. However, there are certain people in the CCP who are unwilling to see Hua Guofeng suffer great downgrading. Some people are still actually supporting him. This has therefore become a difficult problem facing Deng Xiaoping. Of course, it will certainly be possible to solve the problem, and this too may be revealed in 3 to 5 days.

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